The 400 largest privately owned companies in America

Danny Abraham: the secretive man behind the Slim•Fast phenomenon

December 9, 1991 Four Dollars

Forbes

Inspirational marketing

"Our people are seeking inspiration all the time, as most people are. Some people find it in the Rotary Club, some people find it at church, and some people like to go to Amway meetings."

Forbes
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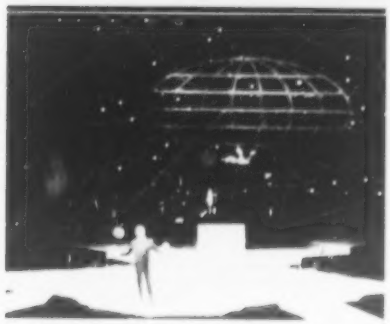

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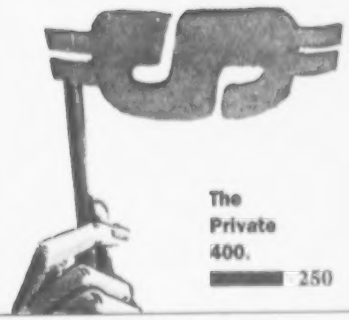

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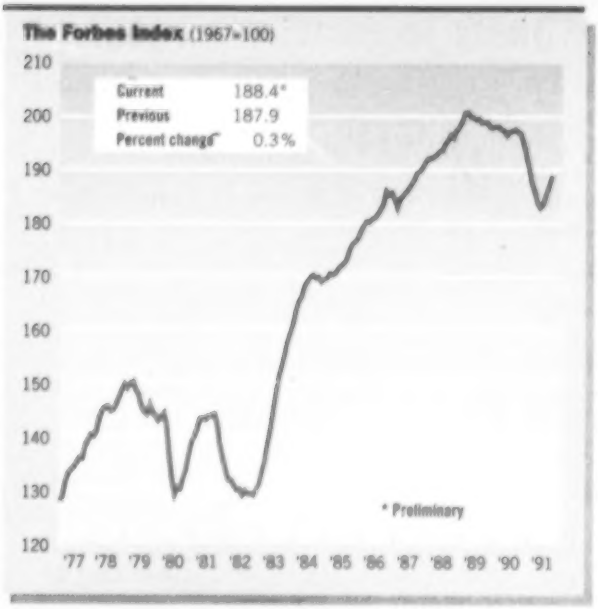
THE FORBES INDEX

BY TIMOTHY DODMAN



Cautious consumers are putting lots of companies underwater. Dun & Bradstreet reports business failures are up more than 48% from this time last year. So far in 1991, nearly 76,300 companies have failed. Meanwhile, the retail sector is putting out mixed signals. Retail sales, which have been seesawing since February, fell 0.1% in October. Yet that isn't too bad a drop considering the weak demand for big-ticket retail items such as automobiles. At an annualized rate of barely 1 million, new home construction is at a nine-year low.

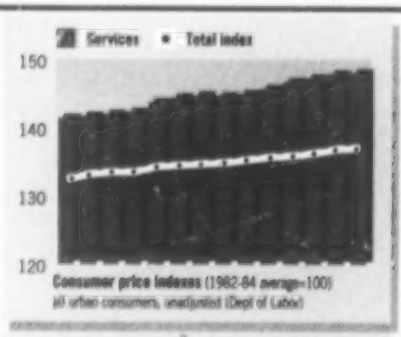
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	7.5%
Auto sales year to date vs 1990[1]	Ward's Automotive	-12.0%
Index of leading indicators Sept vs Aug	Dept of Commerce	-0.1%
Trade balance 12 months ended Sept 1991	Dept of Commerce	-$75 bil
All-commodity producer price index Oct vs Sept[2]	Dept of Labor	0.3%
GNP 3rd quarter vs. 2nd—annualized growth	Dept of Commerce	2.4%
M2 (3-month change)—annualized growth[3]	Federal Reserve	-0.2%

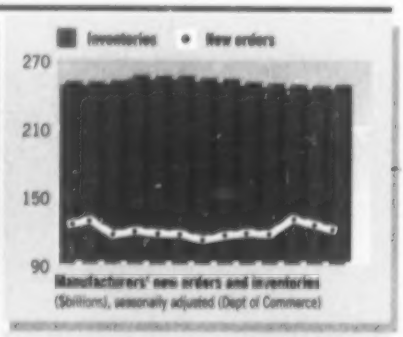
[1] U.S.-based manufacturers, excludes imports, as of 11/10/91. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

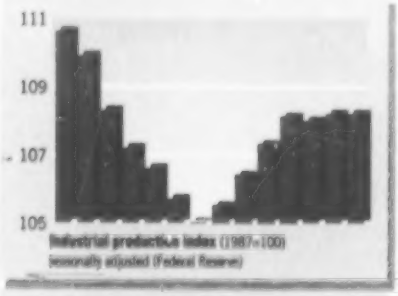
Index components

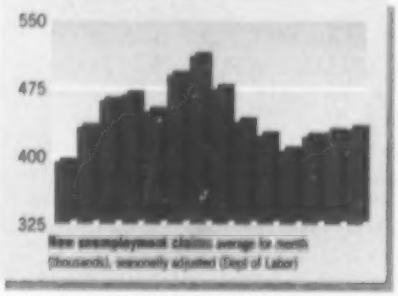
The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.









S O N D J F M A M J J A S O S O N D J F M A M J J A S O S O N D J F M A M J J A S O

Some new biotech stocks are off as much as 40% from their highs. But history says they're still not buys.

Sucker bait

By Richard L. Stern

THAT NASTY 120-point Nov. 15 drop in stocks may go down in history as the Great Biotech Massacre. Many of the biotech firms that were taken public this year had begun to droop before the broader market slumped that day. By the close of trading that Friday, biotech companies like MedImmune, Applied Immune Sciences, and COR Therapeutics were down by 25% to 30% from highs at the start of the week.

Are they now buys? Is the correction over? Don't bet on it. Most of 1991's 32 biggest biotech offerings still sell at frighteningly high levels *(see table)*. Yet few of these newcomers have any revenues or earnings. Jeffrey Casdin, an analyst with Oppenheimer quips: "[The biotech IPOs] are trading on a multiple of Ph.D.s."

It's the old story. The Wall Street hype machines, aided and abetted by the media, trumpet the prospective triumphs of a rising technology. That starts investors breathing hard. Prices of established outfits go up and up. Then Wall Street does what it always does: The public wants stocks, we'll sell them stocks. It eagerly brings to

The hottest biotech new issues of 1991

Issuer	Offer date	Price offer	Price recent	Percent change from offer	Percent change S&P from offer	Market value ($mil)	Manager
MedImmune	May 8	$9.25	$41.00	343.2%	0.2%	$598.6	Morgan Stanley
Curative Technologies	June 28	7.50	19.25	156.7	2.2	181.0	Smith Barney
Cygnus Therapeutic Systems	Jan 31	9.00	19.75	119.4	10.3	209.4	Hambrecht & Quist
ICOS	June 6	8.00	16.50	106.3	-1.1	353.1	PaineWebber
SyStemix	Aug 7	18.00	36.25	101.4	-2.8	253.8	Merrill Lynch
Osteotech	July 24	7.50	15.00	100.0	0.2	87.0	Bear Stearns
COR Therapeutics	June 27	7.50	13.25	76.7	1.3	119.3	Robertson Stephens
Biomatrix	Aug 7	10.00	17.50	75.0	-2.8	150.5	Prudential
Medarex	July 16	6.00	10.50	75.0	-0.6	52.5	Rosekrantz Lyon & Ross
Glycomed	June 13	7.00	12.25	75.0	0.5	107.8	Hambrecht & Quist
Anergen	Oct 10	8.00	13.75	71.9	-0.3	71.5	H J Myers
Idexx	June 20	15.00	25.50	70.0	1.1	114.8	Shearson Lehman
Somatogen	Aug 2	19.00	32.25	69.7	-2.0	238.7	Alex Brown & Sons
ImmuLogic Pharmaceutical	May 21	10.00	16.25	62.5	1.1	152.8	Merrill Lynch
Applied Immune Sciences	May 2	12.00	18.00	50.0	-0.3	127.8	Montgomery
Isis Pharmaceuticals	May 17	10.00	14.75	47.5	1.9	163.7	Morgan Stanley
Genetic Therapy	July 31	9.00	12.25	36.1	-2.2	88.2	First Boston
Alkermes	July 16	10.00	13.50	35.0	-0.6	98.6	Robertson Stephens
Alteon	Oct 31	15.00	19.75	31.7	-3.3	227.1	Alex Brown & Sons
Vertex Pharmaceutical	July 24	9.00	11.50	27.8	0.2	110.4	Kidder Peabody
Dianon Systems	July 31	8.00	9.75	21.9	-2.2	46.8	First Boston
Celtrix	July 24	8.75	10.13	15.7	0.2	60.8	Oppenheimer
Aphton	Mar 21	7.00	8.00	14.3	3.5	80.8	Smetek Van Horn & Cormack
Athena Neurosciences	Nov 6	12.00	13.00	8.3	-2.7	184.6	PaineWebber
CellPro	Sept 24	11.00	11.50	4.5	-2.1	95.5	PaineWebber
Genelabs Technologies	June 13	9.13	9.50	4.1	0.5	166.3	Allen & Co
Embrex	Nov 7	8.50	8.75	2.9	-3.6	32.4	Josephthal Lyon & Ross
Cambridge NeuroScience	June 6	12.00	12.00	0.0	-1.1	81.6	Montgomery
IDEC Pharmaceutical	Sept 16	15.00	14.25	-5.0	-1.6	119.7	Merrill Lynch
Sepracor	Sept 20	10.00	9.25	-7.5	-2.2	149.9	Shearson Lehman
Cephalon	Apr 25	18.00	12.50	-30.6	0.0	107.5	Hambrecht & Quist
Regeneron Pharmaceuticals	Apr 2	22.00	15.13	-31.3	0.0	232.9	Merrill Lynch

Prices and market value as of Nov. 11. Sources: Oppenheimer & Co.; Telemet America Orion; Forbes.

With virtually no earnings, these biotech stocks have gained an average of 54% since their issue date.

market all kinds of dicey and unproven stuff with the appropriate technology in the name. True to form, this year underwriters have raised close to $1 billion on just 32 of the biggest biotech offerings.

The highest-flying new issue was MedImmune. Some of its research is being funded by Merck, in return for joint marketing and licensing agreements. It is working on, among other things, vaccines for AIDS-related infections and Lyme disease. Even after the market's mid-November drop, MedImmune's price, recently $41, is still four times higher than when it was first offered May 8. MedImmune also has the largest market capitalization—nearly $600 million. Nine-month product revenues: $5.1 million. Earnings: $1.6 million, or 11 cents per share.

Denise Gilbert, an analyst at Smith Barney Harris Upham, which is underwriting a secondary offering for MedImmune, is bullish. In research reports she says MedImmune could earn $1.80 a share by 1995 if—and it's a big if—the company can deliver, as projected, one new product a year beginning in 1994. In other words, the stock is currently selling at about 23 times earnings that might, or might not, pan out four years down the road. Moreover, MedImmune is among the best of the lot.

Most of these startups have financially sexy goals, researching cures for AIDS, asthma, arthritis and multiple sclerosis, Parkinson's disease, as well as remedies for stroke, head and spinal injuries and epilepsy.

But many of these are more than longshots; they are scarcely even in the running. For many of them, viable products are years away, and the companies are burning cash at such a rate that they'll either have to sell out or return to the market soon for more capital. When they return they may well find that investor interest has shifted elsewhere.

Despite the November massacre, underwriters are readying more biotech initial public offerings. The best advice is: Leave them alone. Careful study of FORBES' data base on initial public offerings reveals a clear pattern: The later in the cycle a new issue appears, the lower the quality and the richer the price.

Department stores, already losing customers to outlet malls and catalogs, now face another competitor: stores that sell everything at one low price.

Shades of Frank W. Woolworth

By Gretchen Morgenson

IF YOU'RE TIRED of hearing about the retailing doldrums, take a trip down the aisles of Manhattan's A Real New York Bargain, a one-price women's clothing store, so called because whatever is offered sells for one low price. No doldrums here. At 2:30 on a pre-Thanksgiving afternoon, the floors are crowded and the cash registers are ringing. A few doors down Fifth Avenue, the building that once housed B. Altman sits shuttered and

A $10 And Less store near St. Louis
Since shoppers shop more often, inventories move like mad.

After suffering a slight check in the Reagan years, government spending and government regulation are creeping upward again.

Socialism by another name

By Peter Brimelow and Gregory Viscusi

LET US DRAW you a picture. Or a chart. It's really the only way to set in perspective the numbing numerical nattering that will pass for economic debate in this next election year.

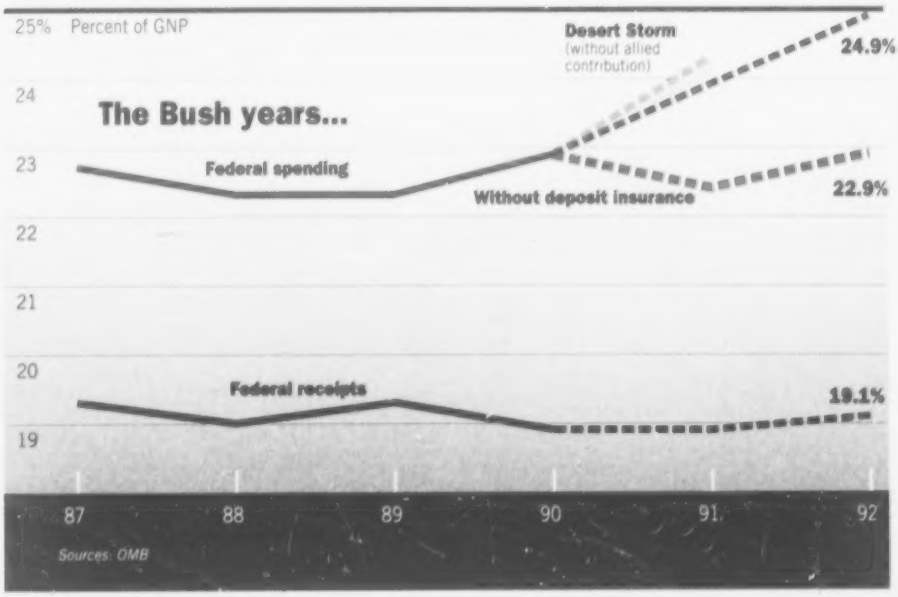
For example, applying a ruler to our chart below reveals that federal revenues at the start of the Reagan years were about the same as at the end (19.3% of GNP). The celebrated deficit owed much more to increased federal spending than to tax cuts.

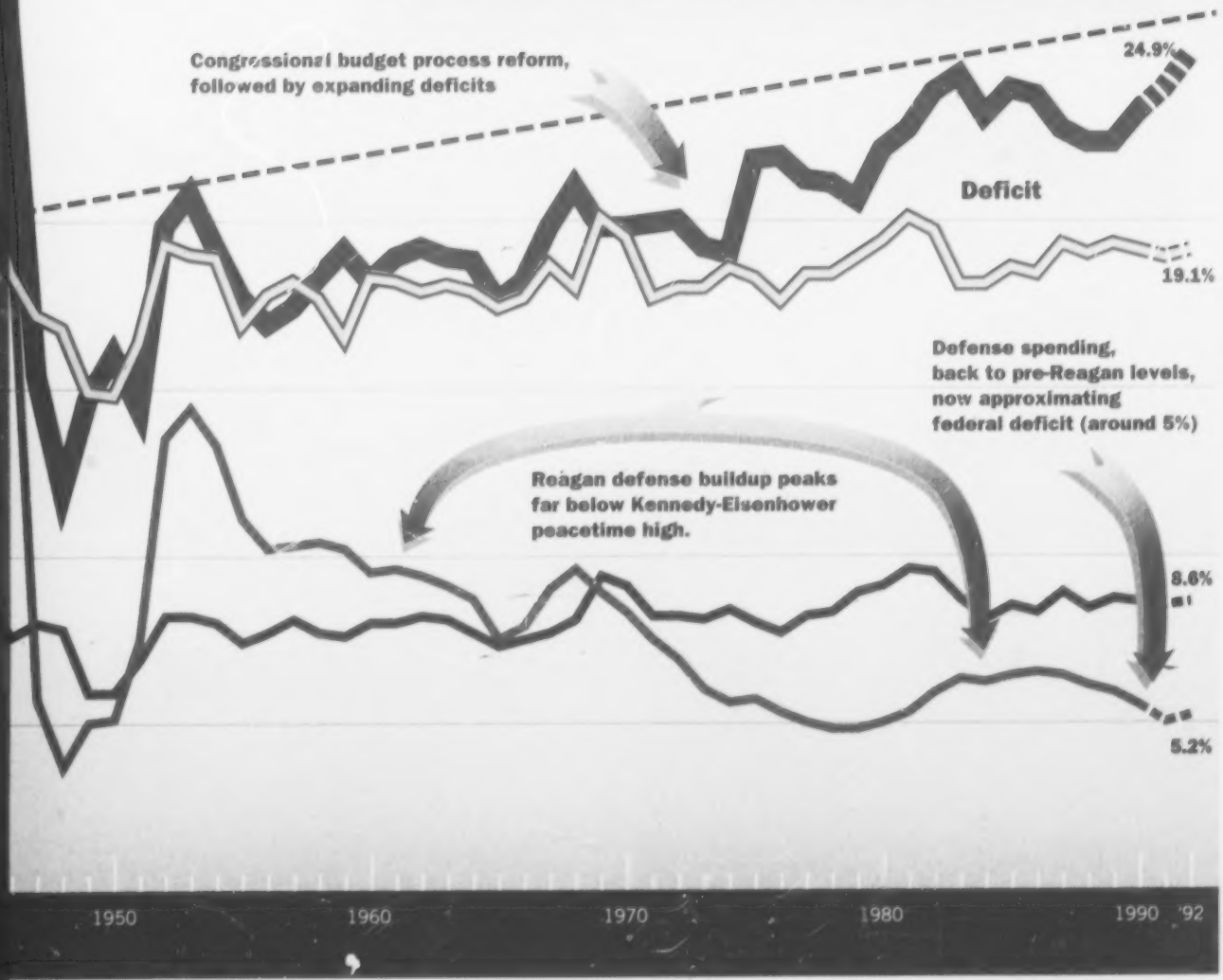
Hmmm.

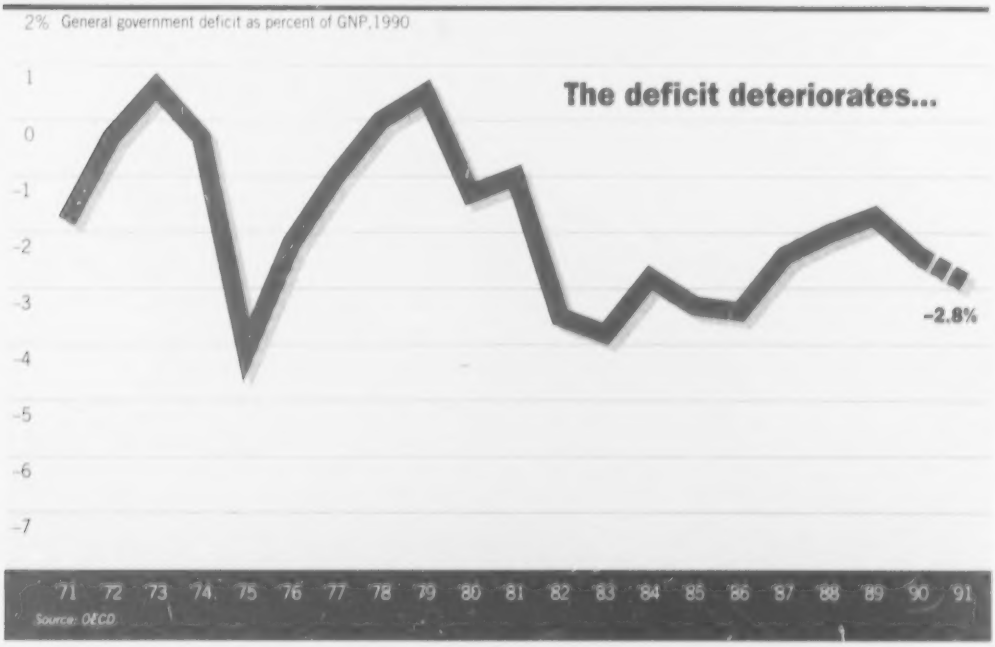
The celebrated deficits have also been equaled or dramatically exceeded at several points this century. Whether the economy subsequently inflated (1970s), disinflated (1930s) or absorbed them (post-World War II) must clearly depend upon uncharted factors—with monetary policy the obvious candidate.

Our chart's strongest message: the federal government's spending ratchets upward regardless of recession or expansion, peace or war, since 1948. The most recent development: Spending, and deficits, have started up again—a Bush-era deterioration also visible in the following charts.

By 1989 the federal budget deficit had contracted to 3% of GNP, its lowest level since 1981. Now it is rising again: The Bush Administration hopes it will peak at 5.8% in 1992. Operation Desert Storm essentially paid for itself: U.S. allies are handing over some $48 billion this year. And optimists hope that the annual cost of the S&L bailout will be met by the sale of seized assets after 1994. So the war and the S&L deficits aren't the villains. Underlying federal spending is still up.







Reagan general government deficits never got as big as under Ford. But the rebound was slower, and has now been reversed by increased spending at both the local and federal level. Still, the U.S. is not out of line with its economic competitors.

Deficit distress ebbs and flows in a distinctly odd way. FORBES' crude measure: We asked the Nexis database to list all *New York Times* editorials containing the words "federal" and "deficit" within two words of each other. The *Times* has a bellwether role in America's media because it is the hometown paper of the Manhattan-based national TV networks, and is also read by the would-be New Yorkers exiled in smaller journalistic garrisons across the country.

Our chart below left shows that *Times* editorial writers did not appear to extend official recognition to the federal deficit as an issue in the months preceding the 1980 presidential election, although it was relatively high in that year. During the campaign, from June through October, there were just five mentions. Equally mysteriously, official recognition has been withdrawn from the issue after the 1990 tax-and-spend budget "compromise." In between, mentions of the deficit moved against its actual trend several times, with a marked tendency to strengthen in presidential election years.

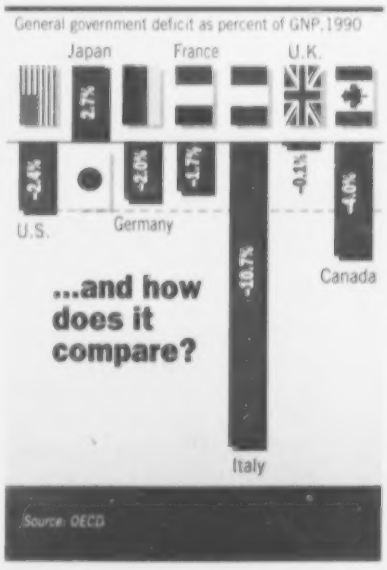
It would be cruel to conclude that the *New York Times* editorial writers are interested in the federal deficit only as a weapon to use against tax cuts and Republican Presidents.

Of course, the federal deficit is only part of the story. In the U.S., state and local governments perform many functions, such as education, that in many countries are the responsibility of central government. To make international comparisons, the Organization of Economic Cooperation & Development lumps all levels of government together *(right)*.

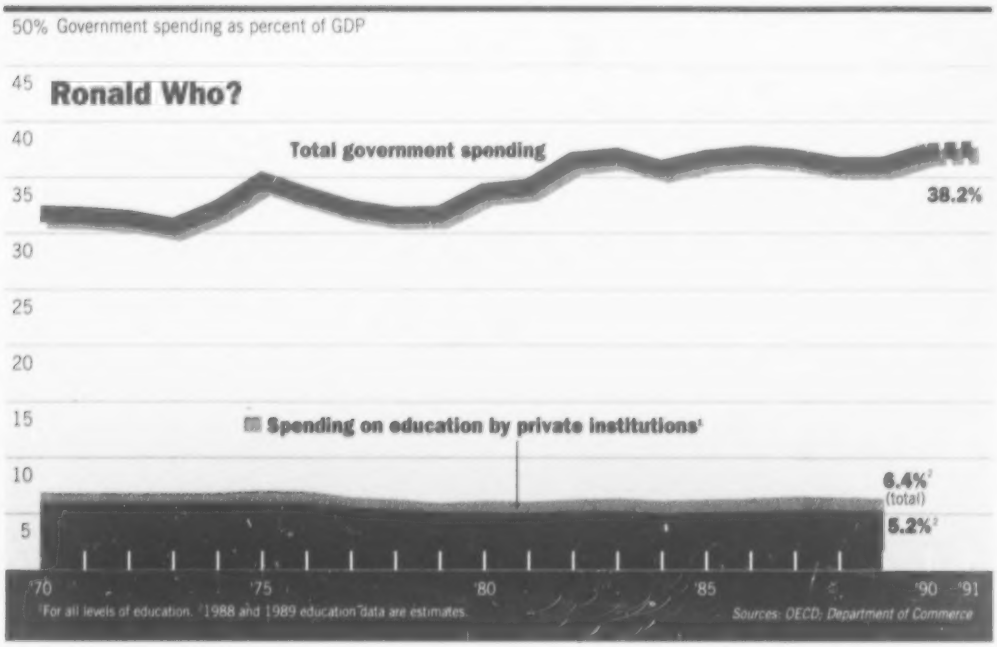
Some U.S. state and local governments have been running surpluses. Adding them in, the U.S. "general government" deficit experience looks less alarming. It is also not radically out of line with those of other industrial economies. (And has been less so: Japan ran deficits of up to 5.5% of GNP in the late 1970s; Germany endured 3.7% of GNP in the early 1980s.)

But the U.S. general deficit is now deteriorating again—with or without the *New York Times (above)*.

Concern with the federal deficit seems only loosely related to its size.



American government deficits not out of line with industrial countries.



Spending by all levels of government in the U.S. barely broke step in the Reagan years and is marching to new peacetime highs. Education helps.

More important than the deficit is the government's share of GNP. This is at a peacetime high—higher even than during the Vietnam War *(above)*. The U.S. is now about where the welfare states of Western Europe were in the early 1970s, almost within range of the post-Thatcher U.K. *(bottom left)*.

Any modest reduction in federal spending during the Reagan years tended to be counteracted by growth at the state and local level. State and local spending amounted to 12.6% of gross national product in 1984; 13.3% in 1988; and is running at 14.4% in 1991. But under Bush the federal government has joined in the party, too.

Another measure of governments' total claim is the "Tax Freedom Day" computed by the Washington, D.C.-based Tax Foundation. This expresses the share of national income grabbed by all levels of government in terms of the proportion of the year that the average American in effect works for the government. In 1980 Americans started working for themselves on May 1. By 1984 they had advanced very slightly to Apr. 28. But by 1988 they were back to May 5—and by 1991, May 8.

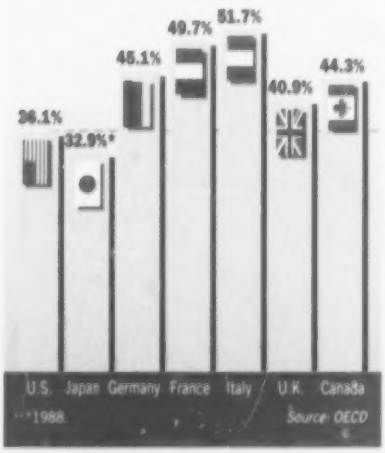
The top chart shows that any new spending proposals will mean unprecedented growth of government—unless other spending is cut. Everybody's favorite candidate: defense. But even if this could be totally eliminated, it would only just about close the federal deficit.

FORBES' helpful suggestion: Cast a cold eye on education, financed largely by state and local governments and now about equaling defense.

Notwithstanding incessant whining, the education industry has retained its GNP share in the 1980s, thus growing sharply in real terms even while delivering deteriorating results. Education spending in the U.S. takes more of GNP than in industrial rivals like Japan and Germany—and remember the U.S. GNP is larger *(bottom right)*. And, unlike other countries, U.S. education is handsomely supplemented by private spending. These facts undercut claims that we are underspending on education.

Government spending as percent of GNP, 1989

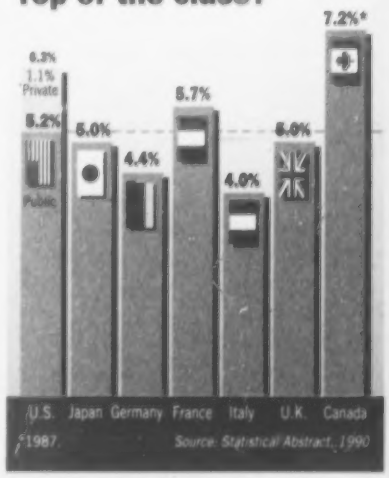
Closing the gap



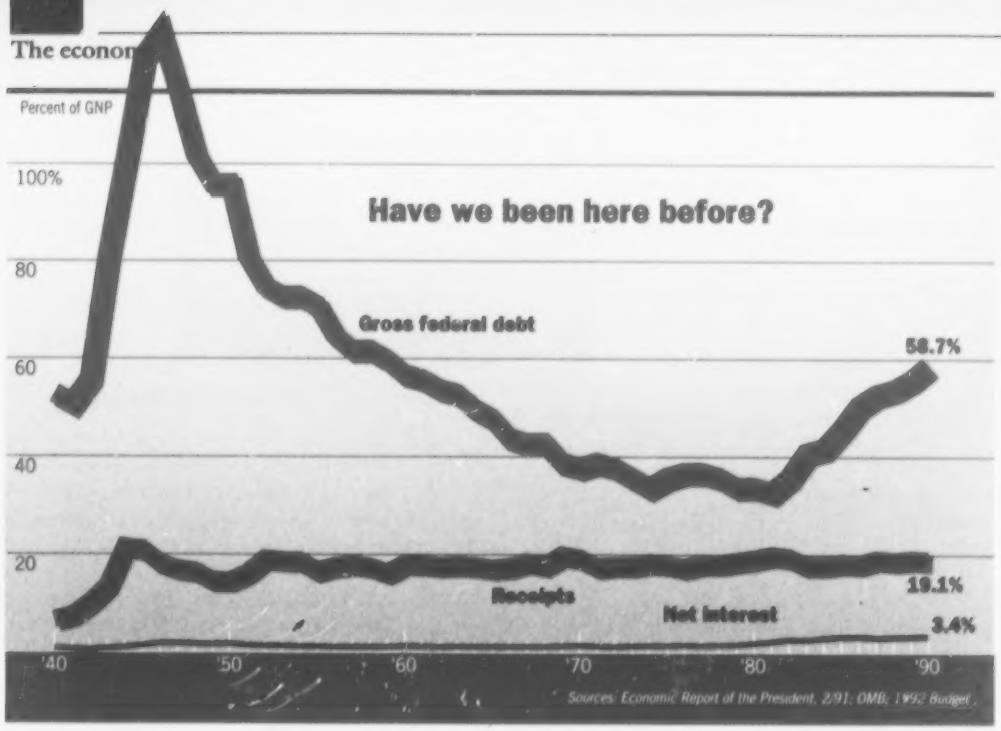
U.S. governments take less than most—for now.

Government spending on all levels of education as percent of GNP, 1986

Top of the class?



U.S. education's share is high, its private supplement unique.



The gross federal debt has not yet neared its post-World War II peak. But its interest burden is significantly heavier, although still quite small relative to Washington's tax revenues.

The national debt, like the federal deficit, is one of those sometime things, at least in terms of public attention.

Actually, the national debt really is a sometime thing. It goes up and down relative to GNP, not only as shown on our chart *(above)*, but also after the Civil War (26%, declining to 2%) and after World War I (about 30%, declining to 16%).

Nor is the national debt's relative decline necessarily an index of virtue. The federal government could be paying it off, or the economy could be growing faster than the debt—or, because it is denominated in nominal terms, it could be reduced in real terms by inflation. This is basically what happened after World War II.

Having said that, the national debt is definitely growing again. This has disappointed optimists who had hoped that by the late 1980s the U.S. would reach the happy point at which its budget deficits would be exceeded by economic growth.

Still, U.S. national debt is not markedly out of line with that of the other major industrialized countries. And this is not just courtesy of the Italians and Canadians, the notorious black sheep twins in the Group of Seven. The Japanese debt also exceeds the U.S. total.

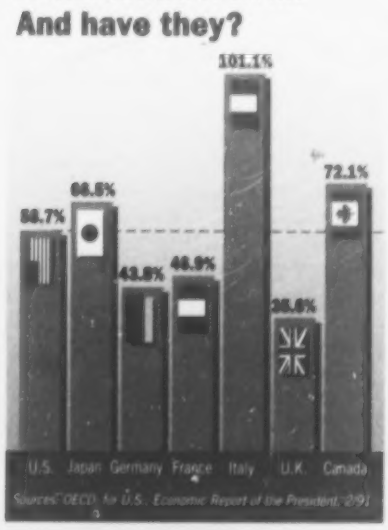
But there's a problem: If national debt is a sometime thing, the interest burden of the national debt is not. This rose from 2% of GNP in 1980 to 3.3% in 1986, a record. Then it sank slightly, before rising to 3.4% of GNP in 1990.

Paradoxically, this interest burden is far above that generated by vastly greater levels of debt in the 1940s. Why? Because people with money to lend are no longer willing to accept interest rates below the rate of inflation, as they once were. Awkward for governments. Good for savers—and, arguably, belated justice.

OECD figures show that the interest burden generated by the U.S. general government (3.3% of GNP in 1989) is, as usual, not out of line with other industrialized countries.

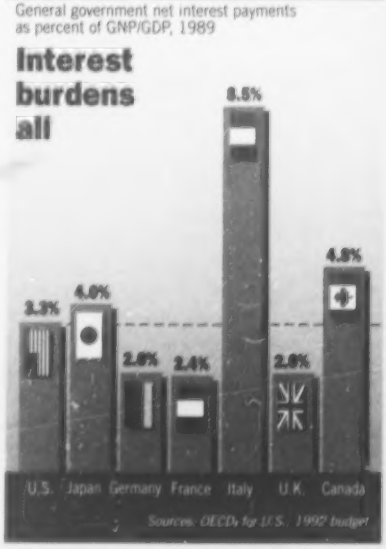
But it is increasing—up from 3.1% in 1987.

Gross public debt as percent of GNP, 1990



U.S. public debt is in the middle of the industrial countries' range.

General government net interest payments as percent of GNP/GDP, 1989



The interest burden on U.S. government debt rises—but others' are still higher.

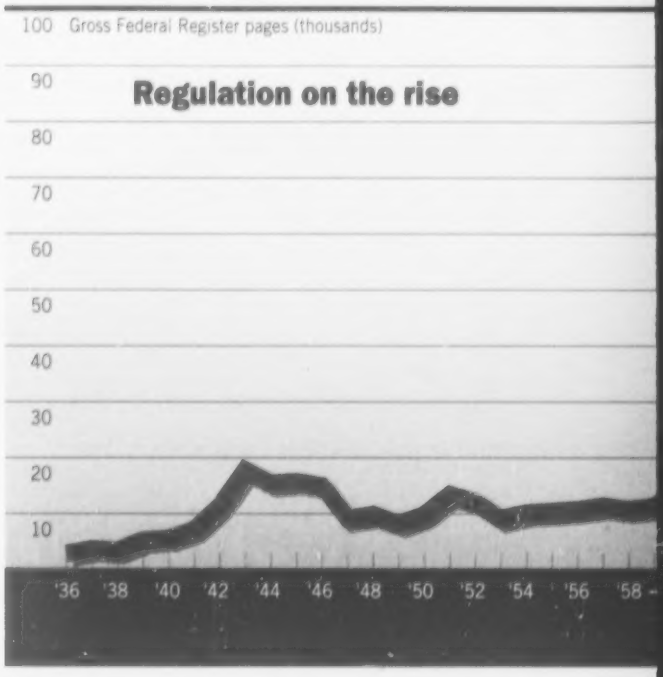
Everyone has heard of neoconservatism and neoliberalism. However, there's also "neosocialism"—the attempt of governments to control, rather than actually own, the means of production, distribution and exchange. It doesn't show up on our other charts, and it is inherently difficult to measure. But it is a growing reality in American life.

One common if crude measure of neosocialism is to count the number of pages in the Federal Register, which records all rules and notices by federal agencies. Our chart *(right)* shows the splash of regulatory activity associated with World War II—and the tidal wave of regulation unleashed under Presidents Nixon, Ford and Carter in the 1970s.

Under Reagan, this wave was pushed back—but only partway. After churning briefly, it got under way again. And 1991 looks like a storm-surge year: By mid-November the Register already had more pages than for all of 1990, and an informed guess is that it will top 60,000. As recently as 1954, it was below 10,000.

Which ironically implies an actual decrease in bureaucratic productivity.

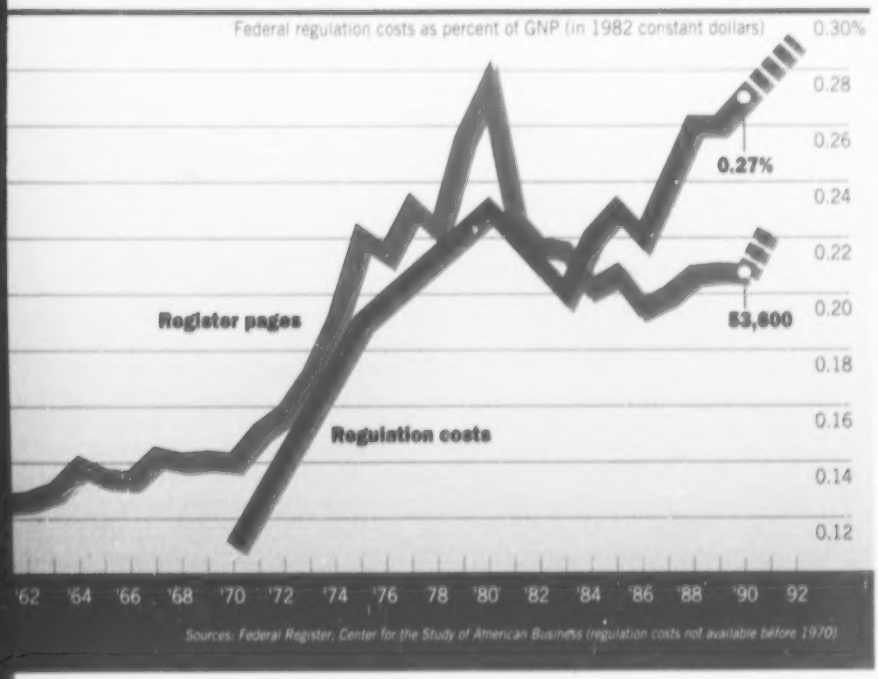
Regulation was checked under Reagan, but all measures suggest it remained historically high. Now it's surging again—and experts say this is just the beginning.



Our chart shows that spending on the federal regulatory apparatus is already at a new high relative to GNP.

Every measure confirms this record regulatory presence. In constant dollars, regulatory spending is running 16% above 1980 levels, according to the Center for the Study of American Business at Washington University in St. Louis. Regulatory personnel,

WHO'S MADE
THE TOP 10
IN EQUITY RESEARCH
FOR 20 YEARS?



about 115,000 in 1990, are projected to reach 122,400 in 1992, finally surpassing the previous peak of 121,700 achieved in the last year of the Carter presidency.

A major cause of the recent surge: environmental regulation, including the Clean Air Act of 1990.

The Bush Administration promised a kinder, gentler attitude toward the environment. It has certainly been kinder and gentler to the Environmental Protection Agency. The EPA has increased its staff by nearly a quarter in the last three years, according to the Center. Environmental regulatory spending is projected to rise to nearly 40% of total regulatory costs in 1992. It only got 15% back in 1970, the EPA's inaugural year.

And Murray Weidenbaum, director of the Center, predicts that there's more to come. Legislation like the recently passed Americans with Disabilities Act and the current Civil Rights bill guarantee it.

"There are a lot of vague standards that can only be determined through litigation and through the regulatory process," he says.

By the end of the Seventies, there was a powerful trend in the U.S. toward ever more government. Ronald Reagan succeeded in slowing, stopping and sometimes even reversing this trend. George Bush has allowed it to resume.

Socialism may be dead in Eastern Europe. But neosocialism is alive and well in the U.S.A. ■

From day one, the key to the enviable success of Donaldson, Lufkin & Jenrette, The Equitable's investment banking arm, has been the superior quality of its research. In fact, it's known throughout the industry as the "house that research built."

DLJ has made the top 10 for excellence in research in *Institutional Investor's* annual survey every single year for the past two decades. A record no other name in the securities business can match.

This year, DLJ had the highest percentage of analysts named to the magazine's prestigious 1991 "All-America Research Team" and the most "First Team" selections—recognition no one on Wall Street can match.

More important, the strength of DLJ's equity and credit research has helped make the firm consistently and strongly profitable despite the turbulence in recent years in the securities industry. In fact, DLJ has grown to become a major force in both investment and merchant banking and in fixed-income markets.

No wonder, then, that 1991 is turning out to be its best year ever.

To learn more about the strength in our numbers, please write to Richard H. Jenrette, Chairman and CEO, or Joseph J. Melone, President and COO, at The Equitable, 787 Seventh Avenue, Dept. A, New York, NY 10019.

THE EQUITABLE

STRENGTH IN NUMBERS

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Pay attention to this list. Private business accounts for a large chunk of the economy and provides a stream of candidates for new-issue offerings.

Private today, public tomorrow

THE RUSH TO go private in the 1980s is starting to reverse. In the last 12 months not even one publicly traded company with sales over $475 million joined the FORBES private company list. Meanwhile, York International, Duracell, Warnaco and several other corporations from our previous private list are now public. With the Dow industrials still near alltime highs and stocks selling way above replacement costs, the private universe is likely to continue shrinking: just within the last two months Stop & Shop Cos. and Charter Medical announced their intention to go public.

Since our last report, two of the previous top ten companies (RJR Nabisco, with $13 billion in revenues, and Southland, with $7 billion) no longer qualify as private. Despite the loss of these big companies and despite the weak economy, the combined revenues of the FORBES private companies list crept up to $611 billion from $609 billion last year.

Among the new additions are several firms created from existing private or public companies: Furr's Supermarkets was once a part of Furr's Inc.; Buttrey Food & Drug, a part of

American Stores; Lexmark International, a division of IBM; and Republic Engineered Steel, a bar steel division of LTV Steel.

Six companies on the list, including Insilco, Pay 'N Pak, and Gillett Holdings, have felt the squeeze of heavy debt and the recession and were forced to file for Chapter 11.

What does it take for a private company to qualify for the FORBES list? Either it has too few common shareholders (generally, 500) to be required to file with the Securities & Exchange Commission or it files but the stock is not available to the general public. Publix Super Markets is an example of the latter: The stock is widely held, but only by employees. A company with closely held common stock but widely traded bonds or preferred stock would also be considered private. Wickes Cos. is private, even though its preferred stock trades on the American Stock Exchange.

FORBES' survey includes only firms that operate for profit and are U.S.-owned and headquartered. Battelle Memorial Institute, a nonprofit that pays income taxes, is included. Charitable foundations and government agencies are excluded. Also excluded are mutuals, cooperatives, joint ventures and companies 50% or more owned by another private or public corporation, unless those owners are passive investors. This year, for example, we dropped Hertz from our list because over 70% of the stock is owned by Ford Motor and Volvo, both publicly owned companies.

Except where noted, the revenue shown is for the most recent fiscal year reported when this list was prepared. Some private firms file financial data with the SEC; others publish revenue numbers. Estimates are from a variety of sources, including competitors, market researchers and anonymous company insiders. This year we were able to pry our way through the steel walls of some companies that were previously uncooperative. For example, we gained greater insight into Donald Trump's crumbling empire by examining data assembled for the workout with his creditors. NWA's revenues leaked out when it petitioned the state of Minnesota for financial backing. ■

Acknowledgments

We wish to thank the following sources that helped us gather data on private companies: *Air Transport Association*, Washington, D.C.; *Atlanta Business Chronicle*, Atlanta; *Auto Age*, Van Nuys, Calif.; *Automotive News*, Detroit; Dave Beal, Pioneer Press, St. Paul; *Business First Buffalo*, Buffalo; *Business Journal of New Jersey*, Morganville; *Business North Carolina*, Charlotte; *Building & Design Construction*, Des Plaines; *California Business*, Los Angeles; *Chain Store Age Executive*, NYC; *Convenience Store News*, NYC; *Corporate Cleveland*, Cleveland; *Corporate Report Minnesota*, Minneapolis; *Crain's Publications*, NYC; *Dallas Business Journal*, Dallas; *ENR*, NYC; *Florida Trend*, St. Petersburg; FORBES library; *Georgia Trend*, Atlanta; Gary Giblen, PaineWebber, NYC; Jonathan Guy, WNTR, Washington, D.C.; Bjorn Hanson, Coopers & Lybrand, NYC; *Hotels*, Des Plaines; *Indianapolis Business Journal*, Indianapolis; *Institutional Distribution*, NYC; Perrin H. Long Jr., First of Michigan Corp., Detroit; *Los Angeles Business Journal*, Los Angeles; William S. McPherrin, Petroleum Information Institute, Littleton, Colo; Charles McSpadden, Bonner & Moore Associates, Houston; *Memphis Business Journal*, Memphis; Alan Mottus, Mottus & Associates, NYC; *Nation's Restaurant News*, NYC; *Nashville Business & Lifestyles*, Nashville; Mike Parks, *Marples Business Newsletter*, Seattle; Tom Picko, Bevmark, Los Angeles; *Professional Builder & Remodeler*, Des Plaines; *Progressive Grocer's Marketing Guidebook 1992*, Stamford; *Puget Sound Business Journal*, Seattle; *Pulp & Paper Magazine*, San Francisco; *Restaurants & Institutions*, Chicago; *San Francisco Business Times*, San Francisco; *Supermarket News*, NYC; *U.S. Distribution Journal*, NYC; *Virginia Business*, Richmond; Frank Walters, M. Shanken Communications, NYC.

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THE 400 LARGEST PRIVATE COMPANIES IN THE U.S.

Privately owned business is big business: These 400 companies share a total $600 billion of revenues.

Edited by Steve Kichen and Tina Russo McCarthy

Researchers:
Scott DeCarlo, Carol Dittbrenner, Tim Dodman, Evelyn Feit, Warren Midgett, Kristen Peters, Steven Ramos, Gilbert Steedley and Susan Yu

—Rank— this year	last year	Company	Chief executive	Revenues ($mil)	Employees	Business
1	1	Cargill	Whitney MacMillan	$49,100	60,000	intl marketer of agri & bulk commodities
2	2	Koch Industries	Charles Koch	19,250e	10,000	oil, chemicals, minerals, agriculture
3	3	Continental Grain	Donald L Staheli	15,000e	14,500	commodity trading & processing
4	5	United Parcel Service	Kent Nelson	13,606	245,000	package delivery
5	7	Mars	Forrest E Mars Jr	9,100e	26,000	candy manufacturing, pet food, rice
6	8	American Financial	Carl H Lindner	8,016	54,000	insur, S&L, food prods, radio & tv
7	11	•NWA	John Dasburg	7,426	43,500	airline
8	9	•RH Macy	Edward S Finkelstein	6,762	69,500	department stores
9	10	•Supermarkets General	Jack Futterman	6,126[1]	38,000	grocery & drug stores, home improve ctrs
10	12	Publix Super Markets	Howard M Jenkins	5,821	25,000	grocery stores
11	15	Bechtel Group	Riley P Bechtel	5,631	32,500	engineering & construction
12	16	Ernst & Young	Ray J Groves	5,449e	67,000	accounting & consulting
13	14	•Montgomery Ward & Co	Bernard F Brennan	5,440	45,000	department stores
14	17	KPMG Peat Marwick	Jon C Madonna	5,400[2]	77,300[2]	accounting
15	52	Meijer	Doug Meijer[3]	5,370e	35,000	combination grocery & retail stores
16	19	Goldman, Sachs & Co	Stephen Friedman[4]	5,290e	6,600	investment banking, securities brokerage
17	82	Carlson Cos	Curtis L Carlson	5,198	70,000	travel, hospitality, restaurants
18	25	Coopers & Lybrand	Eugene M Freedman	5,000e	65,000	accounting
19	23	•Stop & Shop Cos[5]	Lewis G Schaeneman Jr	4,990	42,000	grocery stores, discount dept stores
20	18	ARA Services	Joseph Neubauer	4,950e	135,000	food svcs, uniform rentals, child care svcs
21	24	Arthur Andersen & Co., SC	Lawrence A Weinbach	4,948	61,000	accounting & technical consulting
22	22	•Hospital Corp of America	Thomas F Frist Jr	4,631	54,000	hospitals & health care facilities
23	20	•Trans World Airlines	Carl C Icahn	4,606	33,725	airline
24	13	MacAndrews & Forbes Holdings	Ronald O Perelman	4,521	38,100	cosmetics, banking, finl svcs, publishing
25	27	Deloitte & Touche	J Michael Cook	4,500	56,000	accounting
26	28	Levi Strauss & Co	Robert D Haas	4,247	31,000	apparel
27	29	•Owens-Illinois	Joseph Lemieux	3,979	47,000	packaging
28	26	Marmon Group	Robert A Pritzker	3,846	26,705	industrial materials, auto & medical prods
29	31	•American Standard	Emmanuel A Kampouris	3,637	32,900	plumbing prods, air conditioning, auto prods
30	35	Price Waterhouse	Shaun F O'Malley	3,591	49,000	accounting
31	33	SC Johnson Wax	Richard M Carpenter	3,400e	13,600	specialty chemicals, home care prods
32	32	•Jack Eckerd	Stewart Turley	3,367	31,000	drug, optical & photo stores
33	36	Advance Publications	SI Newhouse Jr	3,100e	19,000	communications
34	68	Food 4 Less[6]	Ronald W Burkle	3,098	7,499	grocery stores
35	37	Grand Union	Joseph J McCaig	2,997	13,200	grocery stores
36	55	Interlaken Capital[7]	William R Berkley	2,916e	12,000	food processing, insurance, health care
37	40	H Group Holding	Jay Pritzker	2,915e	49,820	hotels
38	39	HEB Grocery	Charles C Butt	2,900	12,000	grocery stores
39	38	Lefrak Organization	Samuel J LeFrak	2,900e	18,000	real estate devel & mgmt, entertainment
40	79	Global Petroleum	Alfred A Slifka	2,850	450	petroleum wholesaling & retailing

•Went private via leveraged buyout since 1986. e: Estimate. [1]Includes revenues for Purity Supreme division, which is in the process of being sold. [2]September 1990 figure. [3]Hendrik Meijer is co-chairman. [4]Robert E Rubin is co-chief executive. [5]Announced plans to go public. [6]Listed as Yucaipa Cos on 1990 table. [7]Formerly Finevest Services.

THE 400 LARGEST PRIVATE COMPANIES IN THE U.S.

—Rank— this year	last year	Company	Chief executive	Revenues ($mil)	Employees	Business
41	34	JMB Realty	Neil Bluhm	$2,772e	4,450	real estate
42	51	• Alco Health Services	JF McNamara	2,750e	2,323	distrib of pharmaceuticals & related prods
43	46	Hallmark Cards	Irvine O Hockaday Jr	2,700	22,000	greeting cards & related prods
44	41	Ingram Industries	E Bronson Ingram	2,677	5,400	distrib computer prods, barge operations
45	30	Dyson-Kissner-Moran	Ernest H Lorch	2,600	12,000	multicompany
46	78	Amway	Jay Van Andel[1]	2,550[2]	9,565	household & personal care prods
47	48	Penske	Roger S Penske	2,530	9,800	diesel mfg, truck leasing, auto dealerships
48	47	Milliken & Co	Roger Milliken	2,498e	14,000	textiles
49	81	Phar-Mor	Michael I Monus	2,480	22,000	discount drug & variety stores
50	56	Belk Stores Services	John M Belk	2,400e	2,300	department stores
51	■	• Wickes Cos	James R Birle	2,360	25,200	home improv ctrs, textiles, auto & inds prods
52	43	Anschutz	Philip F Anschutz	2,358e	21,500	oil, railroads, real estate, mining
53	53	• Borg-Warner	James F Beré	2,340	86,000	auto parts, security svcs
54	58	JM Family Enterprises	James M Moran	2,295	2,107	distrib Toyota vehicles & related prods
55	57	• Burlington Industries	Frank S Greenberg	2,282	27,000	textiles
56	64	• Payless Cashways	David Stanley	2,226	18,000	home improvement centers
57	44	Metromedia	John W Kluge	2,220	24,652	restaurants, telecommunications
58	60	Estée Lauder Cos	Leonard Lauder	2,200e	10,000	cosmetics
59	71	DHL Worldwide Express	Patrick Foley	2,100	21,000	international air express & air freight
60	66	Hy-Vee Food Stores	Ron Pearson	2,100e	9,000	grocery, drug & convenience stores
61	67	Red Apple Group	John Andreas Catsimatidis	2,100	10,000	grocery & convenience strs, oil, real estate
62	69	Cox Enterprises	James C Kennedy	2,095	14,896	newspapers, brdcasting, cable tv, auto auct
63	76	• HealthTrust[3]	R Clayton McWhorter	2,026	23,000	hospitals
64	65	Dominick's Finer Foods	James DiMatteo	2,000e	7,500	grocery stores
65	■	Lexmark International	Marvin L Mann	2,000e	5,000	typewriters, printers, keyboards
66	75	Hook-SupeRx	Philip E Beekman	1,995e	12,000	drugstores
67	21	Peter Kiewit Sons'	Walter Scott Jr	1,912	13,000	construct, coal mining, telecomm, energy
68	59	Hearst	Frank A Bennack Jr	1,900e	13,950	publishing, broadcasting
69	49	• Revco DS	Boake A Sells	1,900	15,900	drugstores
70	73	Steelcase	Jerry K Myers	1,900	21,000	office furniture & systems
71	74	Graybar Electric	Edward McGrath	1,895	4,900	electrical equip wholesaling
72	108	Cumberland Farms	Richard Jensen	1,855e	4,300	convenience stores, gas distributors
73	61	• Best Products[4]	Stewart Kasen	1,840	6,000	general merchandise, jewelry stores
74	116	• Whitmire Distribution[5]	Mel Whitmire	1,619	1,000	wholesaling pharmaceuticals
75	83	BeefAmerica	Joseph Amore	1,600	2,500	meatpacking
76	110	Dunavant Enterprises	William B Dunavant Jr	1,600e	2,220	intl & domestic cotton merchant
77	72	Lincoln Property	A Mack Pogue	1,600e	3,700	real estate devel & mgmt
78	91	Schwan's Sales Enterprise	Marvin Schwan	1,600e	6,000	frozen foods, home delivery
79	88	JR Simplot	Gordon Smith	1,600	9,000	food processing, fertilizer, livestock
80	86	• Prime Computer	John J Shields	1,589	7,800	computer hardware & software
81	63	George E Warren	Thomas L Corr	1,568	30	petroleum trading
82	104	Polo Ralph Lauren	Ralph Lauren	1,550	3,000	apparel, home furnishings & accessories
83	93	• Reliance Electric	John C Morley	1,547	14,000	industrial & telecommun equip
84	45	Riklis Family	Meshulam Riklis	1,520	23,300	variety & discount stores, apparel
85	132	Transammonia	Ronald P Stanton	1,515	190	trading fertilizers & petroleum prods

■ Not on last year's list. • Went private via leveraged buyout since 1986. e: Estimate. [1]Richard DeVos is co-chairman. [2]Based on wholesale revenues. [3]Announced plans to go public. [4]In Chapter 11. [5]Formerly MWC.

THE 400 LARGEST PRIVATE COMPANIES IN THE U.S.

—Rank— this year	last year	Company	Chief executive	Revenues ($mil)	Employees	Business
86	77	Giant Eagle	David S Shapira	$1,500e	10,000	grocery stores
87	84	Hillman	CG Grefenstette	1,500	2,000	diversified investment & operations
88	127	TLC Beatrice International Holdings	Reginald F Lewis	1,496	5,000	food processing & distributing
89	102	Wegmans Food Markets	Robert B Wegman	1,495	6,509	grocery stores
90	87	•Coltec Industries	David I Margolis	1,487	12,400	aerospace, automotive, industrial equip
91	106	Frank Consolidated Enterprises	James S Frank	1,470	2,020	auto dealerships, travel svcs & fleet mgmt
92	95	Holiday Cos	Ronald A Erickson	1,442e	3,250	convenience stores, grocery wholesaling
93	118	•Del Monte Foods	A Ewan Macdonald	1,435	15,340	food processing
94	92	Helmsley Enterprises	Harry B Helmsley	1,435e	13,000	real estate brokerage
95	105	Kohler	Herbert V Kohler Jr	1,409	13,794	plumb prods, engines, generators, hospitality
96	114	Delaware North Cos	Jeremy M Jacobs	1,401	17,500	food svcs, pari-mutuels, metals, typog
97	100	Oxbow	William Koch	1,400e	300	energy, fossil fuel, real estate
98	120	Raley's	Charles L Collings	1,400	6,000	grocery & drug stores
99	103	Edward J DeBartolo	Edward J DeBartolo	1,378e	15,000	real est devel & mgmt, dept stores, race track
100	109	Gates	Charles C Gates	1,340	17,000	rubber & formed fiber prods, recharg batteries
101	96	Sammons Enterprises	Robert W Korba	1,340	5,100	insurance, cable tv, industrial equip
102	89	Trump Organization	Donald J Trump	1,340e	20,000	hotels & casinos, real estate, airline
103	99	•Walter Industries[1]	G Robert Durham	1,326	8,100	home bldg & financing, natural resources
104	62	Rabco Health Services[2]	Richard A Bernstein	1,321	2,600	medical & surgical equip, pharmaceuticals
105	139	Epic Healthcare Group	Kenn S George	1,300e	11,500	hospitals
106	98	•General Instrument	Donald H Rumsfeld	1,300e	12,500	electronics
107	111	Southwire	Roy Richards Jr	1,300	5,000	metal fabricating, rod, wire & cable mfg
108	145	Fidelity Investments	Edward C Johnson 3d	1,272	7,000	mutual fund mgmt, discount brokerage
109	192	Morse Operations	Edward J Morse	1,266	1,200	auto dealerships
110	143	Gilbane Building	Paul J Choquette Jr	1,265	950	commercial & industrial construction
111	101	Union Holdings	Ezra Zilkha	1,265e	1,800	food processing, meatpacking
112	138	DeMoulas Super Markets	TA Demoulas	1,256	8,400	grocery stores
113	97	Golodetz	Marc L Ginzberg	1,240	800	trading, agri, real estate, venture capital
114	121	Scoular	Marshall E Faith	1,239	432	grain trading & storing
115	178	John Alden Financial	Glendon E Johnson	1,229	2,362	insurance
116	126	•Avis	Joseph V Vittoria	1,205	13,000	auto rental
117	70	•Charter Medical	William A Fickling Jr	1,200e	11,600	hospital management
118	140	Services Group of America[3]	Thomas J Stewart	1,200e	3,000	food distributor, insurance, real estate
119	115	Trammell Crow	J McDonald Williams	1,186	2,700	real estate
120	90	William Lyon Cos	William Lyon	1,185	920	real estate development
121	136	VT	Cecil Van Tuyl	1,179	3,200	auto, aircraft & boat dealerships
122	125	Taubman	Robert S Taubman	1,178e	550	real estate development & management
123	124	Johnston Coca-Cola Bottling Group	Summerfield K Johnston Jr	1,175e	5,000	soft drinks
124	133	•Foodmaker	Jack W Goodall Jr	1,165e	3,600	Jack in the Box, Chi-Chi's restaurants
125	163	Save Mart Supermarkets	Robert Piccinini	1,164	7,300	grocery stores
126	160	Science Applications International	JR Beyster	1,163	12,000	research & development, systems integration
127	129	Clark Enterprises	A James Clark	1,160	5,000	construction, communications, real estate
128	150	•Fort Howard	Donald H DeMeuse	1,151	6,000	paper prods
129	122	Crowley Maritime	Thomas B Crowley	1,150	4,000	maritime transportation
130	128	•DiGiorgio	Arthur M Goldberg	1,150e	3,000	food distributor, lumber

•Went private via leveraged buyout since 1986. e: Estimate. [1]In Chapter 11. Listed as Hillsborough Holdings on 1990 table. [2]Formerly RAB Holdings. [3]Formerly Food Services of America.

THE 400 LARGEST PRIVATE COMPANIES IN THE U.S.

—Rank— this year	last year	Company	Chief executive	Revenues ($mil)	Employees	Business
131	159	Gulf States Toyota	Jerry Pyle	$1,135e	950	auto distributing
132	119	Tauber Oil	OJ Tauber Jr	1,128	57	petroleum & petroleum marketing
133	80	Domino's Pizza	Thomas S Monaghan	1,125	23,000	pizza delivery & carryout
134	137	•Cullum Cos	Jack W Evans Jr	1,123	6,000	grocery & drug stores
135	112	Stroh Brewery	Peter W Stroh	1,116	2,700	beer
136	151	E&J Gallo Winery	Ernest Gallo	1,110e	3,000	wine
137	183	Golub	Lewis Golub	1,100	3,720	grocery stores
138	170	Grocers Supply	Milton Levit	1,100	1,300	food wholesaling
139	172	Hughes Markets	Roger K Hughes	1,100	5,300	grocery stores
140	208	Schottenstein Stores	Jerome Schottenstein	1,100	15,000	department & furniture stores
141	174	Lennox International	John W Norris Jr	1,090e	8,300	climate control equip
142	156	•Pueblo International	David Morrow	1,075	4,155	grocery stores
143	146	•Lear Seating[1]	Kenneth Way	1,075	10,575	automobile seats
144	158	Schnuck Markets	Craig D Schnuck	1,060e	6,300	grocery stores
145	154	•Kash n' Karry Food Stores	Ronald J Floto	1,060	4,900	grocery stores
146	■	Caterair International	Daniel J Altobello	1,059	22,800	preparation & distribution of airline meals
147	187	Eby-Brown Cos	Richard Wake[2]	1,052	949	candy, tobacco, food & merchandise distrib
148	171	•Gulfstream Aerospace	Allen E Paulson	1,050e	4,800	aerospace
149	161	Schreiber Foods	Jack Meng	1,050e	2,300	cheese & meat processing
150	199	Enterprise Rent-A-Car	Andrew C Taylor	1,022	7,750	auto rental
151	274	Prospect Motors	William Halvorson	1,019	90	auto dealerships
152	157	Golden State Foods	James E Williams	1,013	1,700	food processing & distrib for McDonald's
153	202	C&S Wholesale Grocers	Richard B Cohen	1,010e	793	food wholesaling
154	164	PMC	Philip Kamins	1,006	4,500	plastics, specialty chemicals, foam
155	155	•Peter J Schmitt	——[3]	1,003	4,300	food wholesaling
156	203	Parsons	Leonard J Pieroni	1,002	9,500	engineering, design & construction
157	196	Young & Rubicam	Alexander Kroll	1,001	11 133	advertising, communications
158	144	•Service America	Steven Leipsner	1,001	22,000	food service & vending
159	117	A-Mark Financial	Steven C Markoff	1,000e	32	precious metals wholesaling
160	168	Connell	Grover Connell	1,000	200	heavy equip leasing, food export & import
161	141	Perdue Farms	Jim Perdue	1,000	12,500	poultry processing
162	186	Randall's Food Markets	Robert R Onstead	1,000	3,385	grocery stores
163	176	Sweet Life Foods	Julian Leavitt	1,000e	3,000	food wholesaling
164	184	Guardian Industries	William Davidson	996	7,400	flat glass, fiberglass insulation, plastics
165	149	•Essex Group	John M Bruce	993	3,700	wire, cable & electrical insulation
166	182	Amerco	Edward J Shoen	986	10,000	U-Haul vehicle rental
167	273	•Budget Rent a Car	Clifton E Haley	983	12,000	auto rental
168	244	Little Caesar Enterprises	Michael Ilitch	980e	11,300	pizza restaurants, sports arenas, pro sports
169	259	•National Car Rental	Vincent A Wasik	980e	8,000	auto rental
170	■	Trammell Crow Residential	J Ronald Terwilliger	976	2,900	residential development, construction
171	188	Merchants Distributors	Boyd L George	970	3,000	food wholesaling
172	177	Huntsman Chemical	Jon M Huntsman	961	6,701	chemicals
173	180	•Chicago & North Western Transp	Robert Schmiege	961	6,939	railroad
174	173	JP Foodservice	James Miller	952	2,200	food distributor
175	169	•Dillingham Construction	Donald K Stager	950	1,050	construct mgmt, general contracting

■ Not on last year's list. • Went private via leveraged buyout since 1986. e: Estimate. [1]Formerly Lear Siegler Seating. [2]Thomas Wake is co-president. [3]Currently headed by executive committee.

THE 400 LARGEST PRIVATE COMPANIES IN THE U.S.

—Rank— this year	last year	Company	Chief executive	Revenues ($mil)	Employees	Business
176	198	Jordan	John W Jordan II	$950	9,870	multicompany
177	223	Continental Cablevision	Amos B Hostetter Jr	938	8,000	cable tv, multiple system operator
178	291	McKinsey & Co	Frederick W Gluck	935	4,500	consulting
179	175	Pacific Holding	David H Murdock	933e	5,000	multicompany
180	189	SnyderGeneral	Richard W Snyder	928	7,300	air quality control equip
181	162	•GAF	Samuel J Heyman	922	4,163	chemicals, building materials
182	210	Holman Enterprises	Joseph S Holman	917	2,033	auto dealerships, parts remfg, fleet leasing
183	238	Jitney Jungle Stores of America	WH Holman Jr	910	8,500	grocery stores
184	181	Restaurant Enterprises Group	Norman N Habermann	906	22,481	restaurants
185	■	CH Robinson	DR Verdoorn	905	817	shipping & distrib svcs, food broker
186	■	•Furr's Supermarkets	Jan Friederich	900e	6,000	grocery stores
187	195	Hartz Group	Leonard N Stern	900	5,000	pet supplies, real estate, publishing
188	204	•Earle M Jorgensen	Neven Hulsey	900	2,800	steel & aluminum prods distributing
189	147	•Leaseway Transportation	Richard A Damsel	900	10,500	trucking, transportation & related svcs
190	148	Connell Limited Partnership	William F Connell	895	3,381	metal manufacturing, industrial equip
191	85	Farley Industries	William Farley	893e	27,000	household fabrics, apparel, boots, auto parts
192	191	Levitz Furniture	Robert M Elliott	889	6,187	furniture retailing
193	234	JM Huber	George Schenk	880	4,000	natural resources, plastics, electronics, ink
194	193	Woodward & Lothrop/John Wanamaker	Arnold H Aronson	873	15,000	department stores
195	231	•Kohl's Department Stores	William Kellogg	870	12,000	department stores
196	142	Thrifty Oil	Ted Orden	865e	1,000	petroleum, convenience stores
197	218	Simpson Investment	William G Reed Jr	860e	8,000	lumber, logging, plywood doors
198	222	Bath Iron Works	Duane D Fitzgerald	850e	10,900	shipbuilding
199	250	•Arkansas Best	Robert A Young III	849	10,159	trucking, tire recapping
200	165	•Wickes Lumber	William A Hensler	847	5,000	building materials retailing
201	219	Wilbur-Ellis	Brayton Wilbur	840	2,000	distributing farm supplies & chemicals
202	213	AppleTree Markets	Arthur L Patch	838	2,803	grocery stores
203	264	•Musicland Group	Jack W Eugster	836	10,000	specialty music stores
204	257	Schneider National	Donald J Schneider	832	11,000	trucking
205	209	JPS Textile Group	Steven Friedman	821	8,500	carpet, elastics, apparel, industrial fabrics
206	■	K-III Holdings	William F Reilly	820e	3,300	publishing, information svcs
207	245	Rich Products	Robert E Rich Jr	820	6,500	frozen foods, pro sports, broadcasting
208	216	Schal Associates	Richard C Halpern	820e	260	residential construction, consulting
209	200	•Amsted Industries	Gordon Lohman	817	7,600	RR & industrial equip, bldg materials
210	215	•Uniroyal Chemical	Robert J Mazaika	803e	2,800	chemicals
211	166	Andersen Corp	Jerold W Wulf	800e	3,000	windows, patio doors
212	167	Chilewich Sons	Simon Chilewich	800e	850	commodity trading, cattle, meatpacking
213	247	Gordon Food Service	Paul Gordon	800e	1,800	food distributing
214	185	Metallurg	Michael A Standen	800	3,200	manufactures metals & alloys
215	152	Potamkin Manhattan	Victor Potamkin[1]	800	2,000	auto dealerships, communications
216	207	•Sweetheart Holdings	Philip White	800e	8,000	paper prods
217	212	Young's Market	Vernon O Underwood Jr	800	1,650	food, spirits & wine distributor
218	227	Hunt Corp	Robert C Hunt	792	2,512	general contracting, construction mgmt
219	220	Crown American	Frank J Pasquerilla	791	10,000	dept strs, shopping malls, real est, motels
220	224	American Protection Industries	Stewart Resnick	785e	4,900	TeleFlora, Franklin Mint

■Not on last year's list. •Went private via leveraged buyout since 1986. e: Estimate. [1]Robert and Alan Potamkin are co-chief executives.

THE 400 LARGEST PRIVATE COMPANIES IN THE U.S.

—Rank— this year	last year	Company	Chief executive	Revenues ($mil)	Employees	Business
221	232	United Van Lines	Maurice Greenblatt	$783	950	moving svcs
222	307	International Data Group	Patrick J McGovern	780	4,200	computer publications, mkt research
223	206	Maritz	William E Maritz	780e	5,500	marketing research & business svcs
224	243	Duchossois Industries	Richard L Duchossois	775e	9,000	railroad equip
225	268	Tang Industries	Cyrus Tang	775e	3,500	metal fabricating & distributing
226	230	84 Lumber	Joseph A Hardy Sr	767	2,925	building materials retailing
227	134	Tishman Realty & Construction	John Tishman	765	660	construction mgmt & real estate
228	■	BE&K	Theodore C Kennedy	756	12,915	construction, engineering & maintenance
229	302	New Hampshire Oak	Michael D Dingman	753	3,400	chemical & industrial prods
230	261	●White Swan	Ronald E Elmquist	740	1,725	food wholesaling
231	226	Gillett Holdings[1]	George N Gillett Jr	735e	4,800	broadcasting, meatpacking, resorts
232	211	●Harvard Industries	William D Hurley	735e	7,500	auto & aerospace equip
233	251	●Farm Fresh	Michael E Julian	735	3,400	grocery stores
234	270	Drummond	Garry N Drummond	734	2,800	coal
235	■	Island Lincoln-Mercury	R Bruce Deardoff	732	52	auto dealerships
236	228	Johnson & Higgins	David A Olsen	731	8,102	insur brokerage, risk mgmt consulting
237	318	Racetrac Petroleum	Carl Bolch Jr	727	2,041	convenience stores, retail gasoline
238	256	Coca-Cola Bottling Co of Chicago	Marvin J Herb	723e	4,000	soft drinks
239	246	WWF Paper	Edward V Furlong Jr	720	479	fine paper converter & distributor
240	309	Battelle Memorial Institute	Douglas E Olesen	718	7,791	technology & development
241	295	●DynCorp	Dan Bannister	717	18,000	technical & professional svcs
242	281	ClubCorp International	Robert H Dedman	715	15,200	manages & owns private clubs, resorts, S&L
243	253	●Ampex	Edward Bramson	708	4,500	tv, broadcast equip, magnetic tape
244	241	Horsehead Industries	William E Flaherty	707	2,750	zinc, carbon, graphite, environmental svcs
245	267	HB Zachry	H Bartell Zachry Jr	704	8,800	general contracting
246	233	Homeland Stores	Max E Raydon	703	7,000	grocery stores
247	306	GSC Enterprises	Michael K McKenzie	703	1,500	food wholesaling
248	217	MorningStar Group	James A Bach	703	2,107	dairy & food processing
249	■	Unifax	Frank H Bevevino	700	2,000	food distributing
250	312	Associated Metals & Minerals	Colin H Benjamin	700	198	steel & metal trading
251	201	Border Fuel Supply	William Arrington	700e[2]	25	oil trading
252	190	Brookshire Grocery	Bruce G Brookshire	700e	3,500	grocery stores
253	292	Minyard Food Stores	Liz Minyard[3]	700	3,123	grocery stores
254	■	Moorman Manufacturing	TL Shade	700	3,500	livestock feed & equip
255	242	Tennessee Restaurant	Donald N Smith	700	7,200	Friendly's & Perkins Family Restaurants
256	252	ABCO Markets	Edward G Hill	699	1,924	grocery stores
257	236	●International Controls	David R Markin	693	3,725	truck trailer mfg, auto stamping, insurance
258	334	Humiston-Keeling	Burton H Olin	692	195	wholesales pharmaceuticals
259	272	King Kullen Grocery	John B Cullen	690e	2,300	grocery stores
260	194	●Kendall	Richard A Gilleland	688	8,700	health care products
261	239	Roseburg Forest Products	William A Whelan	687	4,100	forest products
262	249	Cone Mills	J Patrick Danahy	684	8,375	textiles
263	277	B Green & Co	Bernard Green	675	1,200	food wholesaling, grocery stores
264	305	Hendrick Management	JR Hendrick III	675	1,507	auto dealerships, sportswear, motorsports
265	269	Andersons	Richard P Anderson	671	896	agribusiness, consumer prods

■ Not on last year's list. ● Went private via leveraged buyout since 1986. e: Estimate. [1]In Chapter 11. [2]Excludes revenues from Northwest Crude. [3]Gretchen Minyard is co-chairperson.

THE 400 LARGEST PRIVATE COMPANIES IN THE U.S.

—Rank— this year	last year	Company	Chief executive	Revenues ($mil)	Employees	Business
266	310	WL Gore & Associates	Robert W Gore	$670	5,450	fabrics, electronics, indus & med prods
267	266	Towers, Perrin	John T Lynch	670	5,000	consulting, reinsurance
268	285	Braman Enterprises	Norman Braman	668	830	auto dealerships
269	329	•Joy Technologies[1]	Marc F Wray	668	4,700	mining & industrial equip
270	326	•Silgan	D Greg Horrigan	658	4,420	steel, aluminum & plastic containers
271	276	•Catalyst Energy	Tom B Pickens III	657e	1,300	alternative producer of elec & steam energy
272	279	Charles Pankow Builders	Charles Pankow	657	142	general contracting, construction
273	229	•Insilco[2]	Joel L Reed	651	6,700	metal fabricating,electronics,commun, paints
274	265	•Big V Supermarkets	David G Bronstein	650e	4,100	grocery stores
275	286	Chase Enterprises	David T Chase	650	5,500	real estate, media, investments
276	371	•Elder-Beerman Stores	Milton E Hartley	650e	8,000	department stores
277	301	•Ethan Allen	M Farooq Kathwari	650	9,000	furniture, accessories, rugs
278	364	Alamo Rent A Car	Michael S Egan	645	5,500	auto rental
279	320	MA Mortenson	MA Mortenson Jr	643	1,670	general contract, construct mgmt, design
280	308	Marley	Robert J Dineen	642	4,800	cooling towers, boilers, pumps, heating equip
281	255	Sealy	Malcolm Candlish	642	4,500	mattresses, waterbeds, sofa beds
282	278	HCB Contractors	Lawrence A Wilson	640	400	general contracting, construction mgmt
283	303	Horace Mann Educators[1]	Paul J Kardos	639	1,570	insurance
284	304	•Long John Silver's[3]	Clinton A Clark	633	3,000	restaurants
285	319	Barton Malow	Ben C Maibach Jr	630	581	general contracting, construct mgmt
286	■	Dart Container	Kenneth Dart	630e	3,000	foam cups, plastic prods
287	263	Exide	Arthur Hawkins	630e	6,400	auto & industrial batteries
288	298	•Lechmere	C George Scala	627	3,200	discount stores
289	357	Day & Zimmermann	Harold L Yoh Jr	627	12,800	engineering, consulting, business svcs
290	293	Encyclopaedia Britannica	Robert P Gwinn	627e	2,300	reference books, educational svcs
291	332	Jordan Motors	Jordan Kapson	627e	115	auto dealerships
292	289	•Mayfair Supermarkets	Stanley P Kaufelt	625	5,100	grocery stores
293	315	Warren Equities	Warren Alpert	625	1,605	petroleum prods, convenience stores
294	330	Coulter Electronics	Wallace H Coulter	623e	5,500	medical & electronic equip
295	■	Melvin Simon & Associates	Melvin Simon	620e	4,000	real estate development & management
296	324	UIS	Harry Lebensfeld	619	6,800	auto parts
297	271	•MG Holdings[4]	Michael L Smith	618	2,800	Mayflower moving svcs, bus transportation
298	297	•Bell & Howell	William J White	612	5,934	publishing, info systems, mail handling equip
299	275	Brenlin Group	David L Brennan	610	4,200	metal fabricating, steel
300	■	Hale-Halsell	Robert D Hawk	607	3,662	food distributor
301	395	United	James W McGlothlin	605	1,280	coal mining, oil drilling, real estate
302	369	Bacardi Imports	Juan Grau	602	288	distilled spirits & wine
303	316	American Foods Group	Carl Kuehne	600e	1,374	meatpacking
304	283	Arcata	Edward L Scarff	600	7,200	book & magazine printing
305	■	Fiesta Mart	Donald L Bonham	600	5,300	grocery stores
306	372	Guess?	Georges Marciano	600	1,800	apparel
307	374	Haworth	Richard G Haworth	600	4,500	office furniture
308	325	MediaNews Group	W Dean Singleton	600e	600	newspapers
309	296	•Tracor	James B Skaggs	600e	7,000	defense electronics, engineering
310	■	Quality King Distributors	Bernard Nussdorf	598e	460	health & beauty aids, pharmaceuticals

■Not on last year's list. •Went private via leveraged buyout since 1986. e: Estimate. [1]Announced plans to go public. [2]In Chapter 11. [3]Formerly Jerrico. [4]Listed as Mayflower Group on 1990 table.

THE 400 LARGEST PRIVATE COMPANIES IN THE U.S.

—Rank— this year	last year	Company	Chief executive	Revenues ($mil)	Employees	Business
311	313	LL Bean	Leon A Gorman	$597	3,200	outdoor sporting goods retailing & marketing
312	347	●Hall-Mark Electronics	Joseph W Semmer	595	1,450	electronic components, computer systems
313	340	Lykes Bros	Thompson L Rankin	594e	3,000	food processing, insurance
314	287	Flying J	Robert Anderson	592	4,000	integrated petroleum
315	375	Mennen	L Donald Horne	588e	3,000	personal care products, paper goods
316	294	●AFG Industries	RD Hubbard	584	4,100	flat glass manufacturing
317	390	QuikTrip	Chester Cadieux	584	1,901	convenience stores, gasoline retailing
318	■	●Republic Engineered Steels	Russell W Maier	582	4,725	steel products
319	322	Georgetown Industries	Roger R Regelbrugge	581	3,500	steel mfg, lumber distrib, home furnishings
320	■	GF Industries	Wilfred Uytengsu	580e	4,000	snacks & biscuits
321	321	Jordache Enterprises	J Nakash	580	3,000	apparel
322	■	Ravenswood Aluminum	R Emmett Boyle	579	1,600	aluminum
323	333	ICC Industries	John J Farber	578	1,400	chemicals
324	346	Georgia Crown Distributing	Donald M Leebern Jr	578e	1,600	beverage distribution
325	331	●Morse Shoe[1]	Manuel Rosenberg	577	4,000	shoes
326	339	Menasha	WH Drew	577	4,000	packaging, plastics, forest prods, printing
327	290	McCarthy	Michael M McCarthy	575	650	general contracting, construction mgmt
328	393	Rosenthal Cos	Robert M Rosenthal	575	1,200	auto dealerships
329	344	Chemcentral	H Daniel Wenstrup	565	780	chemical distributing
330	341	Rock-Tenn	A Worley Brown	564	4,934	paperboard & packaging prods
331	337	Crawford Fittings	FJ Callahan	560e	5,000	valves, pipe fittings
332	282	AmeriServ	John P Lewis	558	1,200	food distributing
333	314	●Jim Walter	Dennis M Ross	555	3,000	building materials
334	■	Sullivan Graphics	James T Sullivan	554	4,060	printing
335	349	Topa Equities Ltd	John E Anderson	553	1,100	insurance, financial svcs, beverage distrib
336	399	McJunkin	HB Wehrle III	553	1,200	distrib piping & electrical equip
337	■	●Almacs Supermarkets	Greg Mays	551	4,247	grocery stores
338	■	Bashas'	Edward N Basha Jr	550e	4,500	grocery stores
339	376	Morse Diesel International	Donald H Piser	550	525	construction, consulting
340	■	Ormet	R Emmett Boyle	550	2,200	aluminum billets
341	380	Titan Industrial	Michael S Levin	550e	380	steel marketing
342	378	S&P	Lutz Isslieb	550	3,000	Pabst, Falstaff & Pearl beers, real estate
343	354	Placid Oil	——[2]	549e	750	oil & gas exploration
344	356	●Envirodyne Industries	Donald P Kelly	544	4,700	sausage casings, plastics
345	397	ER Carpenter	Stanley F Pauley	543	8,500	polyurethane foam
346	362	Dr Pepper/Seven-Up Cos	John R Albers	540	875	soft drinks
347	359	Wawa	Richard D Wood Jr	540	2,100	convenience stores
348	■	West Publishing	Dwight D Opperman	540e	4,000	law books, college textbooks, Westlaw
349	384	Sverdrup	Brice R Smith Jr	540	5,100	engineering, architec, construct, tech svcs
350	392	Leo Burnett	Hall Adams Jr	532	6,200	advertising
351	■	Bugle Boy	William Mow	530	1,620	apparel
352	381	Treasure Chest Advertising	Sanford G Scheller	530	3,201	printing circulars
353	355	Wheaton Industries	Robert I Veghte	530e	8,000	glass manufacturing, plastics
354	■	MTS	Russ Solomon	528	5,040	retails records, books, videos
355	358	Lewis Homes Group	John M Goodman	528	588	residential construction, real estate devel

■Not on last year's list. ●Went private via leveraged buyout since 1986. e: Estimate. [1]In Chapter 11. [2]Currently no chief executive.

THE 400 LARGEST PRIVATE COMPANIES IN THE U.S.

—Rank— this year	last year	Company	Chief executive	Revenues ($mil)	Employees	Business
356	299	Inland Group	Daniel L Goodwin	$528	900	brokerage, management, syndication, finance
357	345	DiFeo Automotive Group	Sam DiFeo	527	1,067	auto dealerships
358	335	Asplundh Tree Expert	Edward K Asplundh	525e	14,000	tree trimming for electric utilities
359	■	•Carr Gottstein Foods	John J Cairns	525e	2,450	grocery stores, food distrib, liquor retailing
360	398	Rugby-Darby Group Cos	Michael Ashkin	525e	2,400	wholesales generic drugs
361	254	Shapell Industries	Nathan Shapell	522	220	land developing, construction
362	■	Harbour Group Ltd	Sam Fox	520	4,600	medical prods, cutting tools, pumps
363	311	North Pacific Lumber	TJ Tomjack	520	354	forest, agriculture & steel prods wholesaling
364	394	Walbridge, Aldinger	John Rakolta Jr	520	1,470	general contracting, construct & program mgmt
365	■	D'Arcy Masius Benton & Bowles	Roy Bostock	517	5,500	advertising
366	■	CompuAdd	Bill H Hayden	516	1,500	mfg & retailing microcomputers & equipment
367	352	CC Industries	Neele E Stearns	515	5,600	home furnishings, paper, real estate
368	350	Alling & Cory	Samuel T Hubbard Jr	515	1,202	paper, packaging, business prods
369	366	Esstar	Robert A Haversat Sr	510	4,000	hardware
370	353	MTD Products	Curtis E Moll	510e	4,500	outdoor power equipment
371	■	Dick Corp	Dorsey W Dick	508	2,500	commercial & industrial construction
372	370	Booz, Allen & Hamilton	William Stasior	507	4,100	management & technology consulting
373	■	Swinerton & Walberg	Milo S Gates	505	1,014	general contracting
374	328	Hensel Phelps Construction	Jerry L Morgensen	504	1,995	commercial construction
375	343	Aarque Cos	R Quintus Anderson	500e	2,700	metal fabricating
376	258	Harbert	Raymond J Harbert	500e	2,200	commercial construct, real est devel
377	338	Irvine	Donald Bren	500	350	real estate development
378	365	WB Johnson Properties	William B Johnson	500e	14,000	Ritz Carlton hotels, restaurants
379	377	Parsons & Whittemore	George Landegger	500	1,500	pulp & paper, industrial machinery
380	235	•Pullman	William Turner	500	6,200	transportation equip, auto parts
381	■	Washington Steel[1]	Thomas C Graham	500	1,200	steel products
382	383	Whiting-Turner Contracting	Wilard Hackerman	500	1,250	general contracting & construction mgmt
383	■	Ziff Communications	William B Ziff Jr	500e	2,300	magazines, direct marketing
384	■	•Pay 'N Pak[2]	John Markley	498	3,350	home improvement centers
385	■	•Buttrey Food & Drug	Edward C Agnew	496e	2,700	grocery stores
386	386	Austin Industries	William T Solomon	495	6,000	general contracting & construction mgmt
387	368	Arcadian	R James Comeaux	491	1,133	fertilizers & industrial chemicals
388	■	Flint Ink	Robert H Flint	490	2,510	printing ink
389	387	Pepper Cos	Richard S Pepper	490e	1,000	general contracting
390	389	Sierra Pacific Industries	Red Emmerson	490	2,400	lumber wholesaling
391	■	Mary Kay Cosmetics	Richard R Rogers	487	1,722	cosmetics
392	396	Freedom Newspapers	DR Segal	485e	5,200	publishing, tv
393	■	Chemoil	Robert V Chandran	482	120	marine fuel supply
394	288	Koll	Donald M Koll	482	1,043	real estate development
395	■	Perry H Koplik & Sons	Michael R Koplik	481	67	forest products
396	■	Esprit de Corp	Isaac Stein	480	1,200	apparel
397	■	Baker & McKenzie	Robert Cox	478	4,842	law offices
398	323	•Lear Siegler	William J Turner	478	4,000	industrial equip, material handling systems
399	■	Journal Communications	Thomas J McCollow	477	4,300	newspapers, broadcasting, printing
400	■	Dobbs Brothers Management	Jimmy Dobbs III	476	1,300	auto dealerships

■Not on last year's list. •Went private via leveraged buyout since 1986. e: Estimate. [1]Formerly Mercury Stainless. [2]In Chapter 11.

WHERE TO FIND THE 400 LARGEST U.S. PRIVATE COMPANIES

The alphabetical listing below cross-references the sales ranking that begins on page 254. For those companies taken private since 1986, we give the year of the transaction.

Company	Rank
A-Mark Financial 100 Wilshire Boulevard, 3rd Floor Santa Monica, CA 90401 310-319-0200	159
Aarque Cos PO Box 310 Jamestown, NY 14701 716-664-6014	375
ABCO Markets 3001 West Indian School Road Phoenix, AZ 85017 602-222-1600	256
Advance Publications 950 Fingerboard Road Staten Island, NY 10305 718-981-1234	33
AFG Industries (1988) 301 Commerce Street, Suite 3300 Fort Worth, TX 76102 817-332-5006	316
Alamo Rent A Car 110 South East Sixth Street Fort Lauderdale, FL 33301 305-522-0000	278
Alco Health Services (1989) PO Box 959 Valley Forge, PA 19482 215-296-4480	42
John Alden Financial 7300 Corporate Center Drive Miami, FL 33126 305-470-3100	115
Alling & Cory PO Box 20403 Rochester, NY 14602 716-454-1880	368
Almacs Supermarkets (1991) One Noyes Street East Providence, RI 02916 401-438-2700	337
Amerco 1325 Airmotive Way, Suite 100 Reno, NV 89502 702-688-6300	166
American Financial One East Fourth Street Cincinnati, OH 45202 513-579-2121	6
American Foods Group 544 Acme Street Green Bay, WI 54308 414-437-6330	303
American Protection Industries 12233 W Olympic Boulevard, Suite 380 Los Angeles, CA 90064 213-442-5700	220
American Standard (1988) 1114 6th Avenue, 19th Floor New York, NY 10036 212-703-5100	29
AmeriServ 13355 Noel Road, Suite 2225 Dallas, TX 75240 214-385-8595	332
Ampex (1987) 401 Broadway Redwood City, CA 94063 415-367-4150	243
Amsted Industries (1986) 205 N Michigan Ave Chicago, IL 60601 312-645-1700	209
Amway 7575 Fulton Street East Ada, MI 49355 616-676-6000	46
Andersen Corp 100 Fourth Avenue North Bayport, MN 55003 612-439-5150	211
Arthur Andersen & Co, SC 1345 Sixth Avenue New York, NY 10105 212-708-4000	21
Andersons 1200 Dussel Drive Maumee, OH 43537 419-893-5050	265
Anschutz 555 17th Street, Suite 2400 Denver, CO 80202 303-298-1000	52
AppleTree Markets 4301 Windfern Lane Houston, TX 77041 713-460-5000	202

WHERE TO FIND THE 400 LARGEST U.S. PRIVATE COMPANIES

Company	Rank
ARA Services The ARA Tower, 1101 Market Street Philadelphia, PA 19107 215-238-3000	20
Arcadian 6750 Poplar Avenue, Suite 600 Memphis, TN 38138 901-758-5200	387
Arcata 601 California Street, Suite 1800 San Francisco, CA 94108 415-781-4200	304
Arkansas Best (1988) 1000 South 21st Street Fort Smith, AR 72901 501-785-6000	199
Asplundh Tree Expert 708 Blair Mill Road Willow Grove, PA 19090 215-784-4200	358
Associated Metals & Minerals Three North Corporate Park Drive White Plains, NY 10604 914-251-5400	250
Austin Industries PO Box 1590 Dallas, TX 75221 214-443-5500	386
Avis (1987) 900 Old Country Road Garden City, NY 11530 516-222-3000	116
Bacardi Imports 2100 Biscayne Boulevard Miami, FL 33137 305-573-8511	202
Baker & McKenzie One Prudential Plaza, Suite 3900 Chicago, IL 60601 312-861-8800	397
Barton Malow PO Box 5200 Detroit, MI 48235 313-351-4500	285
Bashas' PO Box 488 Chandler, AZ 85244 602-895-9350	338
Bath Iron Works 700 Washington Street Bath, ME 04530 207-443-3311	198
Battelle Memorial Institute 505 King Avenue Columbus, OH 43201 614-424-6424	240
BE&K 2000 International Park Drive Birmingham, AL 35243 205-969-3600	228
LL Bean Casco Street Freeport, ME 04033 207-865-4761	311
Bechtel Group PO Box 193965 San Francisco, CA 94119 415-768-1234	11
BeefAmerica 5600 Harry Anderson Avenue Omaha, NE 68137 402-896-2400	75
Belk Stores Services 2801 West Tyvola Road Charlotte, NC 28217 704-357-1000	50
Bell & Howell (1988) 5215 Old Orchard Road Skokie, IL 60077 708-470-7100	298
Best Products (1988) PO Box 26303 Richmond, VA 23260 804-261-2000	73
Big V Supermarkets (1987) 176 North Main Street Florida, NY 10921 914-651-4411	274
Booz, Allen & Hamilton 101 Park Avenue New York, NY 10178 212-697-1900	372
Border Fuel Supply 6400 S Fiddler's Green Circle, Suite 800 Englewood, CO 80111 303-770-1600	251
Borg-Warner (1987) 200 South Michigan Avenue Chicago, IL 60604 312-322-8500	53
Braman Enterprises 2800 Biscayne Boulevard Miami, FL 33137 305-576-2051	268
Brenlin Group 670 West Market Street Akron, OH 44303 216-762-2420	299
Brookshire Grocery PO Box 1411 Tyler, TX 75710 903-534-3000	252
Budget Rent a Car (1989) 200 North Michigan Avenue Chicago, IL 60601 312-580-5000	167
Bugle Boy 2900 Madera Road Simi Valley, CA 93065 805-582-1010	351
Burlington Industries (1987) 3330 West Friendly Avenue Greensboro, NC 27410 919-379-2000	55
Leo Burnett 35 West Wacker Drive Chicago, IL 60601 312-220-5959	350
Buttrey Food & Drug (1990) 601 Sixth Street SW Great Falls, MT 59403 406-761-3401	385
C&S Wholesale Grocers Old Ferry Road Brattleboro, VT 05301 802-257-4371	153
Cargill PO Box 9300 Minneapolis, MN 55440 612-475-7575	1
Carlson Cos Carlson Parkway, PO Box 59159 Minneapolis, MN 55459 612-540-5000	17
ER Carpenter PO Box 27205 Richmond, VA 23261 804-359-0800	345
Carr Gottstein Foods (1990) 6411 A Street Anchorage, AK 99518 907-561-1944	359
Catalyst Energy (1988) 535 Madison Avenue, 18th Floor New York, NY 10022 212-826-8600	271
Caterair International 7811 Montrose Road, Suite 400 Potomac, MD 20854 301-309-2800	146
CC Industries 222 North LaSalle Street Chicago, IL 60601 312-855-4000	367
Charter Medical (1988) 577 Mulberry Street Macon, GA 31298 912-742-1161	117

Company	Rank
Chase Enterprises One Commercial Plaza Hartford, CT 06103 203-549-1674	275
Chemcentral 7050 West 71st Street Chicago, IL 60638 708-594-7000	329
Chemoil Four Embarcadero Center, Suite 2450 San Francisco, CA 94111 415-956-3834	393
Chicago & North Western Transp (1989) One North Western Center Chicago, IL 60606 312-559-7000	173
Chilewich Sons Twelve Water Street White Plains, NY 10601 914-997-2000	212
Clark Enterprises 7500 Old Georgetown Road Bethesda, MD 20814 301-657-7100	127
ClubCorp International 3030 LBJ Freeway Dallas, TX 75234 214-243-6191	242
Coca-Cola Bottling Co of Chicago 7400 North Oak Park Avenue Chicago, IL 60648 312-775-0900	238
Coltec Industries (1988) 430 Park Avenue New York, NY 10022 212-940-0400	90
CompuAdd 12303 Technology Boulevard Austin, TX 78727 512-250-1489	366
Cone Mills 1201 Maple Street Greensboro, NC 27405 919-379-6220	262
Connell 45 Cardinal Drive Westfield, NJ 07090 908-233-0700	160
Connell Limited Partnership One International Place, 31st Floor Boston, MA 02110 617-737-2700	190
Continental Cablevision The Pilot House, Lewis Wharf Boston, MA 02110 617-742-9500	177
Continental Grain 277 Park Avenue New York, NY 10172 212-207-5100	3
Coopers & Lybrand 1301 Sixth Avenue New York, NY 10019 212-536-2000	18
Coulter Electronics 600 Coulter Way Hialeah, FL 33010 305-885-0131	294
Cox Enterprises PO Box 105357 Atlanta, GA 30348 404-843-5123	62
Crawford Fittings 29500 Solon Road Solon, OH 44139 216-248-4600	331
Crowley Maritime 155 Grand Avenue Oakland, CA 94612 415-251-7500	129
Crown American Pasquerilla Plaza Johnstown, PA 15907 814-536-4441	219
Cullum Cos (1988) 14303 Inwood Road Dallas, TX 75244 214-661-9700	134
Cumberland Farms 777 Dedham Street Canton, MA 02021 617-828-4900	72
D'Arcy Masius Benton & Bowles 1675 Broadway New York, NY 10019 212-468-3622	365
Dart Container 1952 Field Road Sarasota, FL 34231 813-925-2066	286
Day & Zimmermann 1818 Market Street Philadelphia, PA 19103 215-299-8000	289
Edward J DeBartolo 7620 Market Street Youngstown, OH 44513 216-758-7292	99
Del Monte Foods (1990) One Market Plaza San Francisco, CA 94105 415-442-4000	93
Delaware North Cos 438 Main Street Buffalo, NY 14202 716-858-5000	96
Deloitte & Touche 10 Westport Road Wilton, CT 06897 203-761-3000	25
DeMoulas Super Markets 875 East Street Tewksbury, MA 01876 508-851-7381	112
DHL Worldwide Express 333 Twin Dolphin Drive Redwood City, CA 94065 415-593-7474	59
Dick Corp PO Box 10896 Pittsburgh, PA 15236 412-384-1000	371
DiFeo Automotive Group 585 Route 440 Jersey City, NJ 07304 201-433-9297	357
DiGiorgio (1990) Two Executive Drive Somerset, NJ 08873 908-469-4444	130
Dillingham Construction (1987) 5960 Inglewood Drive Pleasanton, CA 94588 415-463-3300	175
Dobbs Brothers Management 5170 Sanderlin Avenue, Suite 102 Memphis, TN 38117 901-685-8881	400
Dr Pepper/Seven-Up Cos 8144 Walnut Hill Lane Dallas, TX 75231 214-360-7000	346
Dominick's Finer Foods 505 Railroad Avenue Northlake, IL 60164 708-562-1000	64
Domino's Pizza 30 Frank Lloyd Wright Drive Ann Arbor, MI 48105 313-930-3030	133
Drummond PO Box 1549 Jasper, AL 35501 205-387-0501	234
Duchossois Industries 845 Larch Avenue Elmhurst, IL 60126 708-279-3600	224

WHERE TO FIND THE 400 LARGEST U.S. PRIVATE COMPANIES

Company	Rank
Dunavant Enterprises PO Box 443 Memphis, TN 38101 901-369-1500	76
DynCorp (1987) 2000 Edmund Halley Drive Reston, VA 22091 703-264-0330	241
Dyson-Kissner-Moran 230 Park Avenue New York, NY 10169 212-661-4600	45
Eby-Brown Cos 1001 Sullivan Road Aurora, IL 60507 708-897-8792	147
Jack Eckerd (1986) PO Box 4689 Clearwater, FL 34618 813-397-7461	32
84 Lumber PO Box 8484 Eighty Four, PA 15384 412-228-8820	226
Elder-Beerman Stores (1987) 3155 El-Bee Road Dayton, OH 45439 513-296-2700	276
Encyclopaedia Britannica 310 South Michigan Avenue Chicago, IL 60604 312-347-7000	290
Enterprise Rent-A-Car 8850 Ladue Road St Louis, MO 63124 314-863-7000	150
Envirodyne Industries (1989) 701 Harger Road, Suite 121 Oak Brook, IL 60521 708-575-2400	344
Epic Healthcare Group PO Box 650398 Dallas, TX 75265 214-443-3333	105
Ernst & Young 277 Park Avenue New York, NY 10172 212-773-3000	12
Esprit de Corp 900 Minnesota Street San Francisco, CA 94107 415-648-6900	396
Essex Group (1988) PO Box 1601 Fort Wayne, IN 46801 219-461-4000	165
Esstar 555 Long Wharf Drive, Suite 12 New Haven, CT 06511 203-777-2274	369
Estée Lauder Cos 767 Fifth Ave New York, NY 10153 212-572-4200	58
Ethan Allen (1989) Ethan Allen Drive Danbury, CT 06813 203-743-8000	277
Exide PO Box 14205 Reading, PA 19612 215-378-0500	287
Farley Industries 233 South Wacker Drive, Suite 5000 Chicago, IL 60606 312-876-7000	191
Farm Fresh (1988) 7530 Tidewater Drive Norfolk, VA 23505 804-480-6700	233
Fidelity Investments 82 Devonshire Street Boston, MA 02109 617-570-7000	108
Fiesta Mart 5235 Kety Freeway Houston, TX 77007 713-869-5060	305
Flint Ink 25111 Glendale Avenue Detroit, MI 48239 313-538-6800	388
Flying J PO Box 678 Brigham City, UT 84302 801-734-6400	314
Food 4 Less 250 West First Street, Suite 210 Claremont, CA 91711 714-626-8776	34
Foodmaker (1988) PO Box 783 San Diego, CA 92112 619-571-2121	124
Fort Howard (1988) PO Box 19130 Green Bay, WI 54307 414-435-8821	128
Frank Consolidated Enterprises 666 Garland Place Des Plaines, IL 60016 708-699-7000	91
Freedom Newspapers PO Box 19549 Irvine, CA 92713 714-553-9292	392
Furr's Supermarkets (1991) PO Box 10267 Albuquerque, NM 87184 505-344-6525	186
GAF (1989) 1361 Alps Road Wayne, NJ 07470 201-628-3000	181
E&J Gallo Winery PO Box 1130 Modesto, CA 95353 209-579-3111	136
Gates PO Box 5887 Denver, CO 80217 303-744-1911	100
General Instrument (1990) 181 West Madison, 49th Floor Chicago, IL 60602 312-541-5000	106
Georgetown Industries 1901 Roxborough Road Charlotte, NC 28211 704-366-6901	319
Georgia Crown Distributing PO Box 7908 Columbus, GA 31908 404-568-4580	324
GF Industries 930 98th Avenue Oakland, CA 94603 415-635-5400	320
Giant Eagle 101 Kappa Drive Pittsburgh, PA 15238 412-963-6200	86
Gilbane Building Seven Jackson Walkway Providence, RI 02940 401-456-5800	110
Gillett Holdings 555 17th Street, Suite 3300 Denver, CO 80202 303-292-0045	231
Global Petroleum 800 South Street Waltham, MA 02154 617-894-8800	40
Golden State Foods 234 East Colorado Boulevard, Suite 800 Pasadena, CA 91101 818-793-3135	152

Company	Rank
Goldman, Sachs & Co 85 Broad Street New York, NY 10004 212-902-1000	16
Golodetz 666 Fifth Avenue New York, NY 10103 212-581-2400	113
Golub PO Box 1074 Schenectady, NY 12301 518-355-5000	137
Gordon Food Service PO Box 1787 Grand Rapids, MI 49501 616-530-7000	213
WL Gore & Associates 555 Papermill Road Newark, DE 19711 302-738-4880	266
Grand Union (1988) 201 Willowbrook Boulevard Wayne, NJ 07470 201-890-6000	35
Graybar Electric PO Box 7231 St Louis, MO 63177 314-727-3900	71
B Green & Co 3601 Washington Boulevard Baltimore, MD 21227 301-247-8300	263
Grocers Supply PO Box 14200 Houston, TX 77221 713-747-5000	138
GSC Enterprises PO Box 638 Sulphur Springs, TX 75482 903-885-7621	247
Guardian Industries 43043 West Nine Mile Road Northville, MI 48167 313-347-0100	164
Guess? 1444 South Alameda Los Angeles, CA 90021 213-765-3100	306
Gulf States Toyota PO Box 40306 Houston, TX 77240 713-744-3300	131
Gulfstream Aerospace (1990) PO Box 2206 Savannah, GA 31402 912-964-3000	148
H Group Holding 200 West Madison Street, 39th Floor Chicago, IL 60606 312-750-1234	37
Hale-Halsell PO Box 582898 Tulsa, OK 74158 918-835-4484	300
Hall-Mark Electronics (1988) 11333 Pagemill Road Dallas, TX 75243 214-343-5000	312
Hallmark Cards 2501 McGee Kansas City, MO 64108 816-274-5111	43
Harbert PO Box 1297 Birmingham, AL 35201 205-987-5500	376
Harbour Group Ltd 7701 Forsyth Blvd, Suite 600 St Louis, MO 63105 314-727-5550	362
Hartz Group 667 Madison Avenue New York, NY 10021 212-308-3336	187
Harvard Industries (1988) PO Box 527 Farmingdale, NJ 07727 908-938-9000	232
Haworth One Haworth Center Holland, MI 49423 616-393-3000	307
HCB Contractors 1400 Elm Street, Suite 4600 Dallas, TX 75202 214-747-8541	282
HealthTrust (1987) 4525 Harding Road Nashville, TN 37205 615-383-4444	63
Hearst 959 8th Ave New York, NY 10019 212-649-2000	68
HEB Grocery 646 South Main Avenue San Antonio, TX 78204 512-246-8000	38
Helmsley Enterprises 60 East 42nd Street New York, NY 10165 212-687-6400	94
Hendrick Management PO Box 18649 Charlotte, NC 28218 704-568-5550	264
Hensel Phelps Construction 420 Sixth Avenue, PO Box 0 Greeley, CO 80632 303-352-6565	374
Hillman 2000 Grant Building Pittsburgh, PA 15219 412-281-2620	87
Holiday Cos PO Box 1224 Minneapolis, MN 55440 612-830-8700	92
Holman Enterprises 7411 Maple Avenue Pennsauken, NJ 08109 609-663-5200	182
Homeland Stores PO Box 25008 Oklahoma City, OK 73125 405-557-5500	246
Hook-SupeRx 175 Tricounty Parkway Cincinnati, OH 45246 513-782-3000	66
Horace Mann Educators One Horace Mann Plaza Springfield, IL 62715 217-789-2500	283
Horsehead Industries 110 East 59th Street New York, NY 10022 212-527-3000	244
Hospital Corp of America (1989) One Park Plaza Nashville, TN 37203 615-327-9551	22
JM Huber 333 Thornall Street Edison, NJ 08818 908-549-8600	193
Hughes Markets 2716 San Fernando Road Los Angeles, CA 90065 213-227-8211	139
Humiston-Keeling 233 East Erie Street, Suite 200 Chicago, IL 60611 312-943-6066	258
Hunt Corp PO Box 128 Indianapolis, IN 46206 317-241-6301	218

WHERE TO FIND THE 400 LARGEST U.S. PRIVATE COMPANIES

Company	Rank
Huntsman Chemical 2000 Eagle Gate Tower Salt Lake City, UT 84111 801-532-5200	172
Hy-Vee Food Stores 1801 Osceola Avenue Chariton, IA 50049 515-774-2121	60
ICC Industries 720 Fifth Avenue New York, NY 10019 212-903-1700	323
Ingram Industries 4400 Harding Road Nashville, TN 37205 615-298-8200	44
Inland Group 2901 Butterfield Rd Oak Brook, IL 60521 708-218-8000	356
Insilco (1988) 300 North Marienfeld, Suite 400 Midland, TX 79701 915-684-4411	273
Interlaken Capital 165 Mason Street Greenwich, CT 06830 203-629-8750	36
International Controls (1987) 2016 North Pitcher Street Kalamazoo, MI 49007 616-343-6121	257
International Data Group One Exeter Plaza, 15th Floor Boston, MA 02116 617-534-1200	222
Irvine 550 Newport Center Drive Newport Beach, CA 92660 714-720-2000	377
Island Lincoln-Mercury 1850 E Merritt Island Causeway Merritt Island, FL 32952 407-452-9220	235
Jitney Jungle Stores of America PO Box 3409 Jackson, MS 39207 601-948-0361	183
JM Family Enterprises 100 Northwest 12th Avenue Deerfield Beach, FL 33442 305-429-2000	54
JMB Realty 900 North Michigan Avenue Chicago, IL 60611 312-440-4800	41
Johnson & Higgins 125 Broad Street New York, NY 10004 212-574-7000	236
SC Johnson Wax 1525 Howe Street Racine, WI 53403 414-631-2000	31
WB Johnson Properties 3414 Peachtree Road NE, Suite 300 Atlanta, GA 30326 404-237-5500	378
Johnston Coca-Cola Bottling Group 600 Krystal Building, Suite 600 Chattanooga, TN 37402 615-756-1202	123
Jordache Enterprises 226 West 37th Street New York, NY 10018 212-643-8400	321
Jordan 315 Park Avenue South, 20th Floor New York, NY 10010 212-460-1915	176
Jordan Motors 609 East Jefferson Boulevard Mishawaka, IN 46545 219-259-1981	291
Earle M Jorgensen (1990) 3050 East Birch Street Brea, CA 92621 714-579-8823	188
Journal Communications PO Box 661 Milwaukee, WI 53201 414-224-2000	399
Joy Technologies (1987) 301 Grant Street Pittsburgh, PA 15219 412-562-4500	269
JP Foodservice 7250 Parkway Drive, Suite 300 Hanover, MD 21076 301-712-7111	174
JPS Textile Group 555 North Pleasant Bird Drive, Suite 202 Greenville, SC 29607 803-271-9919	205
K-III Holdings 717 Fifth Avenue, 22nd Floor New York, NY 10022 212-745-0100	206
Kash n' Karry Food Stores (1988) 6422 Harney Road Tampa, FL 33610 813-621-0200	145
Kendall (1988) 15 Hampshire Street Mansfield, MA 02048 508-261-8000	260
Peter Kiewit Sons' 1000 Kiewit Plaza Omaha, NE 68131 402-342-2052	67
King Kullen Grocery 1194 Prospect Avenue Westbury, NY 11590 516-333-7100	259
Koch Industries 4111 East 37th Street North Wichita, KS 67220 316-832-5500	2
Kohl's Department Stores (1986) N54 W13600 Woodale Drive Menomonee Falls, WI 53051 414-783-5800	195
Kohler 444 Highland Drive Kohler, WI 53044 414-457-4441	95
Koll 4343 Von Karman Avenue Newport Beach, CA 92660 714-833-3030	394
Perry H Koplik & Sons 505 Park Avenue New York, NY 10022 212-752-2288	395
KPMG Peat Marwick 767 Fifth Avenue New York, NY 10153 212-909-5000	14
Lear Seating (1988) 21557 Telegraph Road Southfield, MI 48034 313-746-1500	143
Lear Siegler (1987) 220 South Orange Avenue Livingston, NJ 07039 201-535-9522	398
Leaseway Transportation (1987) 3700 Park East Drive Cleveland, OH 44122 216-765-5500	189
Lechmere (1989) 275 Wildwood Street Woburn, MA 01801 617-935-8320	288
Lefrak Organization 97-77 Queens Boulevard Rego Park, NY 11374 718-459-9021	39

Company	Rank
Lennox International PO Box 7999001 Dallas, TX 75379 214-497-5000	141
Levi Strauss & Co 1155 Battery Street San Francisco, CA 94111 415-544-6000	26
Levitz Furniture 6111 Broken Sound Parkway NW Boca Raton, FL 33487 407-994-6006	192
Lewis Homes Group PO Box 670 Upland, CA 91785 714-985-0971	355
Lexmark International 55 Railroad Avenue Greenwich, CT 06836 203-629-6700	65
Lincoln Property 500 North Akard, Suite 3300 Dallas, TX 75201 214-740-3300	77
Little Caesar Enterprises 2211 Woodward Avenue Detroit, MI 48201 313-983-6000	168
Long John Silver's (1989) 101 Jerrico Drive Lexington, KY 40579 606-263-6000	284
Lykes Bros PO Box 1690 Tampa, FL 33601 813-223-3981	313
William Lyon Cos 4490 Von Karman Avenue Newport Beach, CA 92660 714-833-3600	120
MacAndrews & Forbes Holdings 36 East 63rd Street New York, NY 10021 212-688-9000	24
RH Macy (1986) Eleven Penn Plaza New York, NY 10001 212-695-4400	8
Maritz 1375 North Highway Drive Fenton, MO 63099 314-827-4000	223
Marley 1900 Shawnee Mission Parkway Mission Woods, KS 66205 913-362-5440	280
Marmon Group 225 West Washington Street Chicago, IL 60606 312-372-9500	28
Mars 6885 Elm Street McLean, VA 22101 703-821-4900	5
Mary Kay Cosmetics 8787 Stemmons Freeway Dallas, Tx 75247 214-630-8787	391
Mayfair Supermarkets (1989) 681 Newark Avenue Elizabeth, NJ 07208 908-352-6400	292
McCarthy 1341 North Rock Hill Road St Louis, MO 63124 314-968-3300	327
McJunkin PO Box 513 Charleston, WV 25322 304-348-5211	336
McKinsey & Co 55 East 52nd Street New York, NY 10022 212-446-7000	178
MediaNews Group 4888 Loop Central Drive, Suite 525 Houston, TX 77081 713-295-3800	308
Meijer 2929 Walker, NW Grand Rapids, MI 49504 616-453-6711	15
Menasha PO Box 367 Neenah, WI 54957 414-751-1000	326
Mennen Hanover Avenue Morristown, NJ 07960 201-631-9000	315
Merchants Distributors PO Box 800 Hickory, NC 28603 704-323-4100	171
Metallurg 25 East 39th Street New York, NY 10016 212-686-4010	214
Metromedia One Meadowlands Plaza East Rutherford, NJ 07073 201-804-6400	57
MG Holdings (1986) PO Box 7941 Shawnee Mission, KS 66207 317-875-1469	297
Milliken & Co PO Box 1926 Spartanburg, SC 29304 803-573-2020	48
Minyard Food Stores PO Box 518 Coppell, TX 75019 214-393-8700	253
Montgomery Ward & Co (1988) Montgomery Ward Plaza Chicago, IL 60671 312-467-2000	13
Moorman Manufacturing 1000 North 30th Street Quincy, IL 62301 217-222-7100	254
MorningStar Group 5956 Sherry Lane, Suite 1100 Dallas, TX 75225 214-360-4700	248
Morse Diesel International 1515 Broadway, 41st Floor New York, NY 10036 212-730-4000	339
Morse Operations 1240 North Federal Highway Fort Lauderdale, FL 33304 305-568-0770	109
Morse Shoe (1987) 555 Turnpike Street Canton, MA 02021 617-828-9300	325
MA Mortenson PO Box 710 Minneapolis, MN 55440 612-522-2100	279
MTD Products PO Box 360900 Cleveland, OH 44136 216-225-2600	370
MTS 2500 Del Monte Street, Building C West Sacramento, CA 95691 916-373-2500	354
Musicland Group (1988) 7500 Excelsior Boulevard Minneapolis, MN 55426 612-932-7700	203
National Car Rental (1987) 7700 France Avenue South Minneapolis, MN 55435 612-830-2121	169

Company	Rank
New Hampshire Oak Liberty Lane Hampton, NH 03842 603-926-1340	229
North Pacific Lumber PO Box 3915 Portland, OR 97208 503-231-1166	363
NWA (1989) 5101 NW Drive St Paul, MN 55111 612-726-2111	7
Ormet State Route Seven Hannibal, OH 43931 614-483-1381	340
Owens-Illinois (1987) One Seagate Toledo, OH 43666 419-247-5000	27
Ozbow 1601 Forum Place West Palm Beach, FL 33402 407-697-4300	97
Pacific Holding 10900 Wilshire Boulevard, 16th Floor Los Angeles, CA 90024 213-208-6055	179
Charles Pankow Builders 2476 North Lake Ave Altadena, CA 91001 213-684-2320	272
Parsons 100 West Walnut Street Pasadena, CA 91124 818-440-2000	156
Parsons & Whittemore Four International Drive Rye Brook, NY 10573 914-937-9009	379
Pay 'N Pak (1987) 1209 South Central Avenue Kent, WA 98064 206-854-5450	384
Payless Cashways (1988) 2300 Main Street Kansas City, MO 64141 816-234-6000	56
Penske 13400 Outer Drive West Detroit, MI 48239 313-592-5000	47
Pepper Cos 643 North Orleans Street Chicago, IL 60610 312-266-4703	389
Perdue Farms PO Box 1537 Salisbury, MD 21802 301-543-3000	161
Phar-Mor PO Box 400 Youngstown, OH 44501 216-746-6641	49
Placid Oil 3800 Thanksgiving Tower Dallas, TX 75201 214-880-1000	343
PMC PO Box 1367 Sun Valley, CA 91353 818-896-1101	154
Polo Ralph Lauren 650 Madison Avenue New York, NY 10022 212-318-7000	82
Potamkin Manhattan 787 Eleventh Avenue New York, NY 10019 212-603-7231	215
Price Waterhouse 1251 Sixth Avenue New York, NY 10020 212-819-5000	30
Prime Computer (1990) 100 Crosby Drive Bedford, MA 01730 617-275-1800	80
Prospect Motors 645 Highway 49 & 88 N Jackson, CA 95642 209-223-1740	151
Publix Super Markets PO Box 407 Lakeland, FL 33802 813-688-1188	10
Pueblo International (1988) 1300 NW 22nd Street Pompano Beach, FL 33069 305-977-2500	142
Pullman (1988) 220 South Orange Avenue Livingston, NJ 07039 201-535-9522	380
Quality King Distributors 2060 Ninth Avenue Ronkonkoma, NY 11779 516-737-5555	310
QuikTrip PO Box 3475 Tulsa, OK 74101 918-836-8551	317
Rabco Health Services 444 Madison Avenue, Suite 601 New York, NY 10022 212-688-4500	104
Racetrac Petroleum PO Box 105035 Atlanta, GA 30348 404-431-7600	237
Raley's 500 West Capitol Avenue West Sacramento, CA 95605 916-373-3333	98
Randall's Food Markets 3663 Briar Park Houston, TX 77042 713-268-3500	162
Ravenswood Aluminum PO Box 98 Ravenswood, WV 26164 800-258-6686	322
Red Apple Group 823 Eleventh Avenue New York, NY 10019 212-580-6805	61
Reliance Electric (1986) 6065 Parkland Boulevard Cleveland, OH 44124 216-266-5800	83
Republic Engineered Steels (1989) 410 Oberlin Road SW Massillon, OH 44647 216-837-6302	318
Restaurant Enterprises Group One Park Plaza Jamboree Center, Suite 900 Irvine, CA 92714 714-852-5745	184
Revco DS (1986) 1925 Enterprise Parkway Twinsburg, OH 44087 216-425-9811	69
Rich Products 1150 Niagara Street Buffalo, NY 14213 716-878-8000	207
Riklis Family 667 Madison Avenue, 12th Floor New York, NY 10021 212-735-9500	84
CH Robinson 8100 Mitchell Road, Suite 200 Eden Prairie, MN 55344 612-937-8500	185
Rock-Tenn PO Box 4098 Norcross, GA 30091 404-448-2193	330

WHERE TO FIND THE 400 LARGEST U.S. PRIVATE COMPANIES

Company	Rank
Roseburg Forest Products PO Box 1088 Roseburg, OR 97470 503-679-3311	261
Rosenthal Cos 1550 Wilson Boulevard, Suite 700 Arlington, VA 22209 703-522-2300	328
Rugby-Darby Group Cos 100 Banks Avenue Rockville Center, NY 11570 516-536-3636	360
S&P 100 Shoreline Highway, Bldg B, Suite 395 Mill Valley, CA 94941 415-332-0550	342
Sammons Enterprises 300 Crescent Court, Suite 700 Dallas, TX 75201 214-855-2800	101
Save Mart Supermarkets PO Box 4278 Modesto, CA 95352 209-577-1600	125
Schal Associates 200 West Hubbard Street Chicago, IL 60610 312-245-1000	208
Peter J Schmitt (1988) 355 Harlem Road West Seneca, NY 14224 716-825-1111	155
Schneider National PO Box 2545 Green Bay, WI 54306 414-497-2201	204
Schnuck Markets 11420 Lackland Road St Louis, MO 63146 314-994-4400	144
Schottenstein Stores 1800 Moler Road Columbus, OH 43207 614-221-9200	140
Schreiber Foods PO Box 19010 Green Bay, WI 54307 414-437-7601	149
Schwan's Sales Enterprise 115 West College Drive Marshall, MN 56258 507-532-3274	78
Science Applications International 10260 Campus Point Drive San Diego, CA 92121 619-546-6000	126
Scoular 2027 Dodge Street Omaha, NE 68102 402-342-3500	114
Sealy 1228 Euclid Avenue Cleveland, OH 44115 216-522-1310	281
Service America (1987) 88 Gatehouse Road Stamford, CT 06904 203-964-5000	158
Services Group of America 4025 Delridge Way SW, Suite 500 Seattle, WA 98106 206-251-9100	118
Shapell Industries 8383 Wilshire Boulevard, Suite 700 Beverly Hills, CA 90211 213-655-7330	361
Sierra Pacific Industries PO Box 496028 Redding, CA 96049 916-365-3721	390
Silgan (1989) Four Landmark Square, Suite 301 Stamford, CT 06901 203-975-7110	270
Melvin Simon & Associates PO Box 7033 Indianapolis, IN 46207 317-636-1600	295
JR Simplot PO Box 27 Boise, ID 83707 208-336-2110	79
Simpson Investment 1201 Third Avenue, Suite 4900 Seattle, WA 98101 206-224-5000	197
SnyderGeneral 3219 McKinney Ave Dallas, TX 75204 214-754-0500	180
Southwire PO Box 1000 Carrollton, GA 30119 404-832-4242	107
Steelcase PO Box 1967 Grand Rapids, MI 49501 616-247-2710	70
Stop & Shop Cos (1988) One Bradlees Circle Braintree, MA 02184 617-380-8000	19
Stroh Brewery 100 River Place Detroit, MI 48207 313-446-2000	135
Sullivan Graphics 100 Winners Circle Brentwood, TN 37027 615-377-0377	334
Supermarkets General (1987) 301 Blair Road Woodbridge, NJ 07095 908-499-3000	9
Sverdrup 13723 Riverport Drive Maryland Heights, MO 63043 314-436-7600	349
Sweet Life Foods 1120 Harvey Lane Suffield, CT 06078 203-623-1681	163
Sweetheart Holdings (1988) 7575 South Kostner Avenue Chicago, IL 60652 312-767-3300	216
Swinerton & Walberg 580 California Street San Francisco, CA 94104 415-421-2980	373
Tang Industries 1965 Pratt Boulevard Elk Grove Village, IL 60007 708-806-7600	225
Tauber Oil PO Box 4645 Houston, TX 77210 713-869-8700	132
Taubman 200 East Long Lake Road Bloomfield Hills, MI 48304 313-258-6800	122
Tennessee Restaurant One Pierce Place, Suite 100E Itasca, IL 60143 708-250-0471	255
Thrifty Oil 10000 Lakewood Boulevard Downey, CA 90240 213-923-9876	196
Tishman Realty & Construction 666 Fifth Avenue New York, NY 10103 212-399-3600	227

WHERE TO FIND THE 400 LARGEST U.S. PRIVATE COMPANIES

Company	Rank
Titan Industrial 555 Madison Avenue, 10th Floor New York, NY 10022 212-421-6700	341
TLC Beatrice International Holdings 9 West 57th Street, 48th Floor New York, NY 10019 212-756-8900	88
Topa Equities Ltd 1800 Avenue of the Stars, Suite 1400 Los Angeles, CA 90067 213-203-9199	335
Towers, Perrin 245 Park Avenue New York, NY 10167 212-309-3400	267
Tracor (1987) 6500 Tracor Lane Austin, TX 78725 512-926-2800	309
Trammell Crow 2001 Ross Avenue, Suite 3500 Dallas, TX 75201 214-979-5100	119
Trammell Crow Residential 2859 Paces Ferry Road, Suite 2100 Atlanta, GA 30339 404-433-2000	170
Trans World Airlines (1988) 100 South Bedford Road Mt Kisco, NY 10549 914-242-3000	23
Transammonia 350 Park Avenue New York, NY 10022 212-223-3200	85
Treasure Chest Advertising 511 West Citrus Edge Glendora, CA 91740 818-914-3981	352
Trump Organization 725 Fifth Avenue New York, NY 10022 212-832-2000	102
UIS 600 Fifth Avenue, 27th Floor New York, NY 10020 212-581-7660	296
Unifax 1065 Highway 315, Suite 203 Wilkes-Barre, PA 18702 717-822-0902	249
Union Holdings PO Box 978 Liberal, KS 67905 316-624-1851	111
Uniroyal Chemical (1989) World Headquarters Middlebury, CT 06749 203-573-2000	210
United PO Box 1280 Bristol, VA 24203 703-466-3322	301
United Parcel Service 51 Weaver Street, Greenwich Office Park #5 Greenwich, CT 06831 203-862-6000	4
United Van Lines One United Drive Fenton, MO 63026 314-326-3100	221
VT 8500 Shawnee Mission Pky, Suite 200 Merriam, KS 66202 913-432-6400	121
Walbridge, Aldinger 613 Abbott Street Detroit, MI 48226 313-963-8000	364
Walter Industries (1988) 1500 Northdale Marbry Highway Tampa, FL 33607 813-871-4811	103
Jim Walter (1988) 4010 Boy Scout Boulevard Tampa, FL 33607 813-873-4194	333
Warren Equities 10 East 53rd Street, 20th Floor New York, NY 10022 212-751-8100	293
George E Warren 605 17th Street Vero Beach, FL 32960 407-778-7100	81
Washington Steel 90 West Chestnut Street Washington, PA 15301 412-229-2803	381
Wawa Red Roof, Baltimore Pike Wawa, PA 19063 215-358-8000	347
Wegmans Food Markets PO Box 844 Rochester, NY 14692 716-328-2550	89
West Publishing 50 West Kellogg Boulevard St Paul, MN 55102 612-228-2500	348
Wheaton Industries 1101 Wheaton Avenue Millville, NJ 08332 609-825-1400	353
White Swan (1988) 400 Fuller-Wiser Road, Suite 300 Euless, TX 76039 817-267-8811	230
Whiting-Turner Contracting 300 East Joppa Road Towson, MD 21204 301-821-1100	382
Whitmire Distribution (1988) 81 Blue Ravine Road Folsom, CA 95630 916-985-5180	74
Wickes Cos (1989) 3340 Ocean Park Boulevard, Suite 2000 Santa Monica, CA 90405 213-452-0161	51
Wickes Lumber (1988) 706 Dearpath Drive Vernon Hills, IL 60061 708-367-6540	200
Wilbur-Ellis 320 California Street San Francisco, CA 94104 415-772-4000	201
Woodward & Lothrop/John Wanamaker 1025 F Street NW Washington, DC 20013 202-879-8222	194
WWF Paper Two Bala Plaza Bala Cynwyd, PA 19004 215-667-9210	239
Young & Rubicam 285 Madison Avenue New York, NY 10017 212-210-3000	157
Young's Market 500 South Central Avenue Los Angeles, CA 90013 213-629-5571	217
HB Zachry PO Box 21130 San Antonio, TX 78221 512-922-1213	245
Ziff Communications One Park Avenue New York, NY 10016 212-503-3500	383

THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

On Nov. 14 (the pricing date for this page) stocks were close to record levels. The next day the Dow lost 120 points. Kidder, Peabody's chief market analyst, Dennis Jarrett, sees no reason to panic. "This market has survived a crash [in 1987], a recession, a major war and a coup attempt in the Soviet Union," says Jarrett. "My long-term outlook is quite bullish, with no one industry or sector dominant."

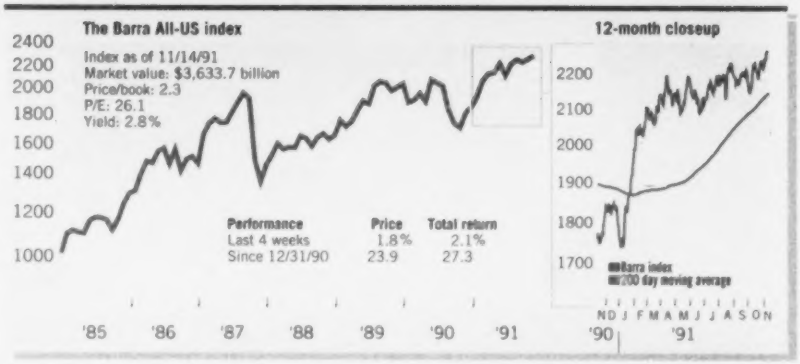
Is such bullishness justified? The market's P/E has increased sharply this year, while its dividend yield has sunk. But then, yields for all investments—bonds, money funds and bank instruments like CDs—have also declined sharply this year. Thus it is not surprising that investors have been willing to pay higher prices for a dollar's worth of earnings or dividend income. The future direction of stock prices may hinge on earnings forecasts for next year *(see p. 295)*.

On the rebound

How have last year's ten best and worst S&P 500 companies fared this year? On average, last year's ten laggards are now ahead of the game. Since 12/31/90 the laggards have posted an average return of 56% versus a 22% return for the leaders. S&P 500: a 22% total return.

1990 leaders	1991 return	1990 losers	1991 return
Home Depot	122%	USF&G	0%
Imcera Group	62	Quantum Chemical	11
Nike	39	Panhandle Eastern	21
St Jude Medical	38	NL Industries	28
General Mills	29	MCI Commun	34
Service Corp Intl	16	Marriott	59
Millipore	-5	Bank of Boston	79
Beverly Ent	-7	Chase Manhattan	92
Alberto Culver	-27	Oracle Systems	100
Compaq Computer	-50	Chemical Banking	139

The overall market



Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US Index	1.3%	28.9%	-0.1%
Sharpe/Barra Growth Index[1]	2.1	32.9	0.0
Sharpe/Barra Value Index[2]	0.8	25.4	-0.2
Dow Jones Industrials	-0.2	20.4	-0.4
S&P 500	1.2	25.3	-0.1
NYSE	1.2	26.6	-0.1
Nasdaq	2.2	56.5	-0.2
Amex	1.1	32.0	-1.3
EAFE[3]	0.0	7.5	-17.5
CRB Index[4,5]	-1.3	-4.3	-20.9
Gold[5]	-0.8	-6.0	-29.4
Yen[5]	-1.0	0.4	-21.0
Oil[5]	-3.6	-27.7	-45.3

The best and worst performing stocks[6]

Best	Price	2-week change	1991 EPS[7]	Worst	Price	2-week change	1991 EPS[7]
Viratek	14	70%	NA	Immune Response	41	-31%	$-0.30
K-V Pharmaceutical	34	44	NA	Barr Labs	25	-25	0.92*
Ribi ImmunoChemical Res	10	43	$-0.35	Coast Savings Financial	6	-25	2.15
ICN Pharmaceuticals	15 7/8	41	0.55	Tektronix	18 1/8	-23	2.06
Omnicare	19 1/2	41	0.50	Response Technologies	6 3/8	-23	NA

The best and worst performing industry factors[6,8]

Best	2-week change	Since 12/31/90	Worst	2-week change	Since 12/31/90
Photographic, optical	11.5%	14.0%	Water transport	-9.1%	15.9%
Consumer durables	5.5	20.0	Oil service	-8.2	-2.6
Retail	5.4	32.8	Forest products	-7.1	19.2
Life insurance	5.0	29.5	Precious metals	-4.7	-18.5
Agriculture, food	4.6	26.5	Coal & uranium	-4.7	5.0

Note: Data for period ending 11/14/91. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from IBES, Inc. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. NA: Not available. *1992 estimate. Principal source: Barra, Inc., Berkeley, Calif.

NEW ISSUES REVIEW

BY WARREN MIDGETT

The biggest new issues[1]

Company/business	Exchange	Offer date	Offer price	Recent price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
EXEL Ltd/insurance	n	7/18/91	25½	32	487	Goldman, Sachs	25%	125
Ambac/insurance	n	7/11/91	20	27⅜	292	Salomon Brothers	37	133
MGIC Investment/mortgage insurance	n	8/6/91	24	36¼	202	Goldman, Sachs	51	152
Interstate Bakeries/bakery prods	o	7/24/91	16	18½	200	First Boston	16	113
Singer NV/mfr sewing machines	n	8/1/91	14	17¼	164	Merrill Lynch	23	123
Enquirer/Star Group/publishing	n	7/19/91	14	16⅞	151	First Boston	21	119
Rogers Cantel Mobile Commun/cellular telecom	o	8/8/91	17	17½	128	Goldman, Sachs	3	103
FoxMeyer/pharmaceutical distributor	n	8/29/91	14½	15	109	PaineWebber	3	106
Smart & Final/food warehouse stores	n	7/30/91	19	18⅞	95	Lazard Freres	-1	99
Kaiser Aluminum/mfr aluminum prods	n	7/11/91	12	12⅜	81	Merrill Lynch	-12	86

Performance update

Even if the Nov. 15 market crashlet puts a chill on business, 1991 looks like a boom year for initial public offerings. During the third quarter alone, $3.8 billion was raised on 81 issues. That's almost four times the amount raised for the same period last year, and it puts the figure for the first nine months of 1991 at $8.9 billion. "If things continue at the current pace, the capital generated in the fourth quarter should easily surpass $5.8 billion," says Seth Weber, an associate at Securities Data Co. in Newark, N.J. The last record year was 1986, when $15.1 billion was raised.

Companies currently filing for registration include plastics and packaging manufacturer giant Owens-Illinois; Healthtrust, a health care services company; and supermarket chain Stop & Shop Cos.

A lot of new offerings are very expensive. Alteon, Inc., a pharmaceuticals manufacturer, went public Nov. 1 at 150 times pro forma earnings and 92.5 times book value. Presley Cos. came public Oct. 10 at 52.6 times pro forma earnings.

The roaring new issues business is good news for underwriters. But it is also a warning to investors that the stock market is getting overheated. That was probably what Nov. 15's market action was telling us.

The best new issues[1]

Company/business	Offer price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
Somatogen/biotech	39¾	38	Alex Brown & Sons	109%	209
Biomatrix/biotech	18¼	28	Prudential Secs	83	184
Video Lottery Tech/video equip	25¼	40	Montgomery Secs	80	176
Systemix/pharmaceuticals	32	36	Merrill Lynch	78	179
Wellfleet Commun/computer networks	29⅞	48	Goldman, Sachs	76	175

The worst new issues[1]

Company/business	Offer price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
Treadco/truck tire retreader	15	40	Morgan Stanley	-6%	94
Laser-Pacific Media/movie production	4	7	HJ Meyers	-33	67
Super Rite/supermarkets	15½	33	DLJ	0	99
Teknekron Commun/telecomm software	8	23	PaineWebber	-20	79
Monro Muffler Brake/auto repair	13½	26	Lehman Brothers	-16	83

The most active investment bankers[1]

Underwriter	Total offerings	Total raised ($mil)
Goldman, Sachs	17	$2,384
Merrill Lynch	12	1,374
First Boston	11	794
Salomon Brothers	7	517
PaineWebber	16	509

Industries going public[1]

Industry	Total offerings	Total raised ($mil)
Manufacturing	26	$1,333
Insurance	5	1,030
Professional svcs	15	423
Wholesale	9	310
Health care	9	184

Note: Initial public offerings of common equities with offer date of 6/30/91 to 9/30/91, offering price of $2.50 or more and offering value of $5 million or more. Closed-end funds, limited partnerships, and ADRs (American Depositary Receipts) of corporations already traded in foreign countries are excluded, as are REITs and spinoffs. [1]Last quarter. [2]The ending value of $100 invested in the stock, divided by the ending value of $1 invested in the market. [3]Latest 12 months. Source: Securities Data Co.

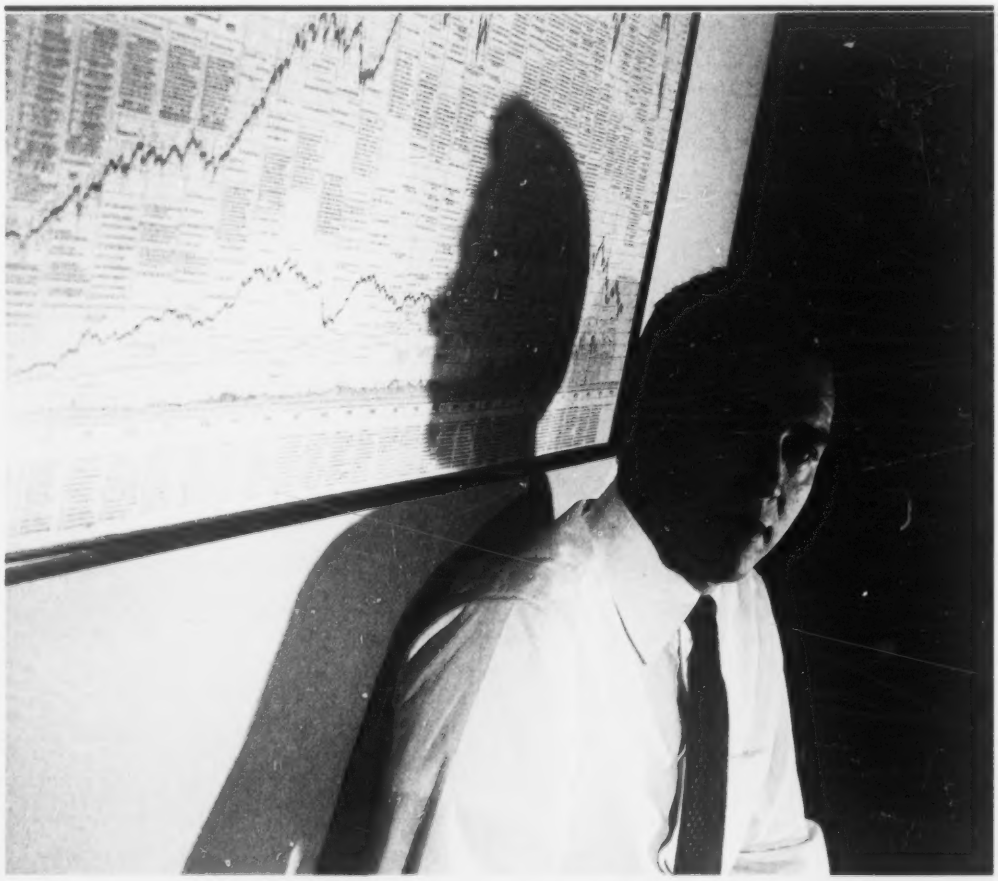
Having moved his Mathers Fund heavily into cash, Henry Van der Eb has missed out on this year's bull market. Is he sorry? No. He sees trouble ahead and would rather be out too soon than too late.

Voice of caution

HENRY VAN DER EB took on a 30-year home mortgage when he was 34 years old, and scraped to pay it off in less than 6 years. "Debt makes me uncomfortable," says the manager of the $495 million Mathers Fund. Today the onerous debt of the government, corporations and consumers is making Van der Eb, 46, very uncomfortable. "The 1980s were the decade of debt. The 1990s will most likely be characterized by its painful unwinding," he wrote last year to Mathers Fund shareholders. What about the 120-point drop in the Dow on Nov. 15? "Buying the dip, as people did in 1987, 1989 and 1990, may not be a good strategy," Van der Eb warns.

In the spring of 1989 Van der Eb began building a cash hoard that today equals 88% of the Mathers Fund and a like portion of the separate accounts Van der Eb manages. As a result, he has missed the recent stock market rally. But if the market crashes within the next few years, being too early will be a price worth paying. Van der Eb moved into cash in advance of the October 1987 crash; the 62% cash position he had on the fateful Oct. 19 was largely built up that summer. Mathers Fund, based in Bannockburn, Ill., gained 27% in 1987, while the market was up only 5%.

Last year, when the S&P 500 lost 3% (after reinvestment of dividends), the Mathers Fund was up 10%, thanks to its cash booty. Since Van der Eb began managing Mathers Fund in 1975, his 20% average annual return has outpaced that of the S&P 500 by four percentage points.



Brad Trent

Henry Van der Eb of Mathers Fund **What happened to his fund in the Nov. 15 crash? It went up.**

So why is Van der Eb sitting on the sidelines now? He believes the current recession may last another two years because, for one, consumers won't resume buying soon. They're overleveraged. Historically, the national savings rate has been between 6% and 9% at the end of a recession. Today it is 3.5%. Consumers are squeezed by a drop in their interest income and home prices on one side and rising taxes on the other. Corporations like Allied-Signal, Compaq, AT&T and Citicorp are laying off thousands of workers, and people are frightened for their jobs. "This is not what we should see in a recovery," Van der Eb says dourly.

The government's fiscal and monetary options for jump-starting the economy are constrained by the budget deficit, and the result could be dire. Predicts Van der Eb, "Government revenues will fall short, and Treasury will need to borrow even more to bail out the government, the S&Ls, banks and insurance companies. The perception of the credit quality of the U.S. government will fracture, and the dollar will collapse."

So why is the stock market climbing? "The stock market is the paradox," Van der Eb continues. While the earnings of the companies in the Dow Jones industrial average have dropped from $192 to $101 in the past year, their stock prices have risen 15%. The result is that the Dow is now trading at a stratospheric 29 times 12-month trailing earnings. Here is the market, in typical fashion, trying to anticipate—reacting not to current earnings but to forecasts of the future. But could the anticipators be taking their logic a little too far? "The stock market has already discounted two years of a decent recovery," says Van der Eb.

In its high valuations of a small group of popular stocks, today's stock market reminds Van der Eb of the early 1970s, when the so-called Nifty Fifty (incuding Avon, Polaroid and Xerox) traded at huge multiples of their earnings for years, then collapsed. "People think that a good company is a good investment at any price. But it's not true," he says. "It is the Nifty Fifty all over again, but the players are wearing different jerseys. This time they are Home Depot, U.S. Surgical and Amgen." Price/earnings multiples for these three: 56, 71 and 743, respectively.

Of course, some investors make money in this sort of market. For instance, the aggressive growth Alger Small Capitalization Fund *(see story, p. 59)* is up 64% for the 12 months through October. Mathers Fund is up just 12%, according to Lipper Analytical Services. But this hasn't made Van der Eb restless. "I can't buy a stock just because it's going up," he says. "It must be good value."

With the S&P 500 trading at 2½ times its book value, the only real value Van der Eb finds these days is in gold stocks. He owns shares in four gold mining companies: Battle Mountain Gold, Homestake Mining, LAC Minerals and Placer Dome. "The risk of losing money in these stocks isn't very high, while the possibility of making money is reasonable," says Van der Eb. The only other equity holdings in Mathers Fund are International Technology (hazardous waste disposal) and Panhandle Eastern (gas transmission), which Van der Eb thinks is just about fully valued at its recent 14⅜ per share.

Preparing for the worst

Fund	Net assets	Portion in cash
Vanguard Windsor	$7,800	21%
Janus Venture*	1,206	30
Phoenix Growth	1,186	27
Sequoia Fund*	1,115	36
Templeton Smaller Co Growth	892	22
United Vanguard	875	24
Shearson Lehman Bros Growth	740	23
Zweig Total Return	618	22
Finl Strategic Health Sciences	595	22
Capital Income Builder	534	20
Brandywine Fund	528	35
Mathers Fund	478	88
IDS Strategy—Aggressive Equity	404	20
AIM Equity-Charter	378	24
IAI Regional	374	28
Zweig Series Trust Strategy	357	22
AMEV Growth	336	24
Franklin Growth	331	26

Assets as of Sept. 30. *Closed to new investors.
Source: Morningstar, Inc.

The largest mutual funds whose cash positions are 20% or more of net assets.

Even with most of the Mathers Fund's assets in cash, Van der Eb isn't finding any extra time for himself. He reads the *Value Line Investment Survey,* a 2,000-page quarterly, cover to cover; among the 1,700 stocks are always 60 he is ready to buy when they get cheap enough. Van der Eb often wakes in the middle of the night and listens to foreign stock market news on the portable radio that hangs on his bedpost. His wife has grown accustomed to it.

In November of 1989 Van der Eb expected a drop in the Japanese stock market and paid $250,000 for Nikkei puts for the employee investment fund of Mathers & Co. "We made $1.9 million," boasts Van der Eb, who became the majority owner of the firm when Thomas Mathers left last year. Currently the Mathers Fund is short $60 million of Standard & Poor's 500 stock index futures; it has, meanwhile, just $60 million invested in stocks. Net effective long position: 0% invested.

"I get the feeling money managers are buying into the expensive drug and food stocks today and just holding their noses," laments Van der Eb.

Something doesn't smell right. Mathers Fund investors agree. They are putting $1 million a day into the fund. "We may look bad this year," says Van der Eb, "but that's the time to buy us."

If you don't want to pay Van der Eb 0.98% a year in fees and expenses to run what is in effect a money market fund, you can create a cheap imitation of the Mathers Fund: Put a little of your money in a gold fund such as Freedom Investment Gold & Government and the rest in Treasury bills. Be prepared to switch quickly into Mathers as soon as the fund reports a sharp decline in its cash balance. However, there is a risk that you will miss some of the rebound if it comes quickly.

The table lists funds with large cash positions. One of the best of these in long-term performance, the Sequoia Fund, has held a large cash position and has kept its doors closed to new investors since 1982. It's a good bet that if Sequoia ever reopens, it will be when pessimism is rampant and the market is abounding in cheap stocks. –S.L.O.

A sure way to lose money is to believe earnings forecasts, but there's a way to turn the analysts' notorious inaccuracy to your advantage.

Flawed forecasts

BY DAVID DREMAN

David Dreman is chairman of Dreman Value Management, L.P., Investment Counsel, New York, and author of *The New Contrarian Investment Strategy.*

"SELL APPLE, Merrill lowered its estimate." Or, "Buy casualty stocks, Goldman has hiked its forecasts."

Thus even small estimate cuts by brokerage research departments can drop a stock sharply or, if earnings are hiked, send it skyward. Investors, from megabuck managers to average Joes, often act quickly on such news, which is flashed immediately by the wire services. Near-term earnings estimates are the major trigger on investment decisions today.

This is particularly ironic, since the forecasts are notoriously inaccurate. Buying or selling stocks on the basis of these estimates is an almost guaranteed way to lose money.

Look at the table. In collaboration with Professor Michael Berry of James Madison University, I examined analysts' estimates from 1973 to 1990 on a quarterly basis. Estimates of earnings for the quarter were always made in the prior three months, the last revisions only two weeks before the end of the quarter. To avoid outriders, we used only companies that had a minimum of six estimates by analysts from different brokerage firms. The number of individual estimates went as high as 30, 40 or more for some of the largest or most widely followed stocks. On average there were about 800 NYSE or Amex companies in the sample in each quarter.

The results of this study, which to my knowledge is the most comprehensive to date, are startling: Analysts' estimates have been sharply and consistently off the mark, even though they were made less than three months before earnings were actually reported. The average error over the term of the study was 40% annually. And this was no small sample: It included almost 60,000 estimates by groups of analysts.

In spite of the information revolution, estimates have gotten far worse, not better. In the past six years the average error was an astounding 52%, and in the past two years, 57% and 65%, respectively. Since an estimate change of 10% or less can result in major stock price movements, what did a miss of 57% in 1989 or 65% in 1990 do? The answer is, created havoc in numerous industry groups. Worse yet, since most analysts forecast earnings at least a year or further ahead, it's more than likely that these latter misses were far wider.

The bottom line, as I have noted frequently in this column, is that it is dangerous, if not suicidal, to attempt to live by fine-tuned earnings forecasts in a competitive, dynamic and constantly changing environment. The collapse of the bank and financial stocks last year, or of many technology and hospital management companies in 1991, are the latest confirmation of what happens when investors depend on estimates that prove to be wildly inaccurate.

There is a big edge here for the astute investor. Let me explain. Although forecasts have proved enormously inaccurate for stocks in vogue, they have been just as wrong for those out of favor. Estimates of popular stocks often prove too high, and, just as frequently, too low for companies in the doghouse.

What this means is simply this: Earnings expectations get capitalized in a stock's price. Where expectations are favorable, the stock probably commands a high price/earnings ratio; where expectations are low, the converse. Since the favorable and unfavorable predictions are both probably wrong, the low P/E stocks are quite possibly underpriced—and vice versa.

Hence my low-P/E strategy.

So, chuck those earnings predictions and concentrate on companies that are out of favor, but are not dogs or cats. Stocks with good earnings and dividend records and strong finances that, for one reason or another, have been blasted by The Street. If the estimates prove inaccurate—an almost sure bet from the record we reviewed—many of the better companies will bounce back sharply.

In spite of Nov. 15's minicrash, some stocks that still fit this category:

H.F. Ahmanson (15) has a P/E of 10 and yields 5.7%. *Club Med, Inc.* (25) trades at a P/E of 11, yielding 1.2%. *Community Psychiatric* (13) is priced at a P/E of 8 and yields 2.8%. *Giant Food 'A'* (23) has a P/E of 12 and yields 2.9%. *Great Western Financial* (15) trades at a P/E of 8, yielding 5.6%.

Forecast error as a percent of reported earnings

Year		Year	
1990	65%	1981	40%
1989	57	1980	35
1988	42	1979	27
1987	45	1978	25
1986	52	1977	27
1985	52	1976	29
1984	43	1975	41
1983	45	1974	32
1982	48	1973	31

Source: Dreman Value Management, L.P.

There were 1,221 NYSE and Amex companies. We included positive and negative earnings surprises. There were estimates from six or more analysts for each company in every quarter between 1973 and 1990.